

Gorbachev Appeals For New Powers to Fight 'Dark Forces'

By David Remnick

Washington Post Service

MOSCOW — In one of his most conservative speeches since coming to power, President Mikhail S. Gorbachev appealed Monday for strict law and order to overcome the "dark forces" of nationalism and called for a nationwide referendum on a new treaty on union among the Soviet republics.

Mr. Gorbachev's proposal to the Congress of Peoples Deputies for a referendum to give the "ultimate verdict" on the treaty seemed like a political maneuver designed to bypass the republics' parliaments.

The harsh speech opening a 10-day session of the Congress came after one deputy, a factory foreman from the Chukotka region, accused Mr. Gorbachev of "leading the country to ruin" and called on the legislature to put a no-confidence vote on its agenda. The Congress rejected that proposal by a vote of 1,288 to 426, with 183 abstentions.

"We are begging for food around the world," said the deputy, Sergei Umalatov. "In all the applause from the West, Mikhail Sergeyevich, you have forgotten whose president you are. The people believe in you and you deceived them."

Mr. Gorbachev blamed himself for "indecisiveness" and "hastiness" in handling a deteriorating economy and in coping with the "guerrilla tactics" of the myriad independence movements around the country.

He said that unless the Congress passed his proposals for a stronger executive presidency and the Soviet constitution was regarded as the "supreme" authority, the "war of laws" between Moscow and the republics would continue and the economy would deteriorate even further.

"If we fail to achieve this, a greater discord, the rampage of dark forces and a breakup of the

state will be inevitable," Mr. Gorbachev said. "We have no time to wait. The situation has grabbed us by the throat."

In recent months, Mr. Gorbachev has looked increasingly to the pillars of traditional Soviet power — the KGB, the military and the Communist Party — as a means of protecting central power. Although he said he was not prepared to abandon the course of overall reform, he clearly has decided to draw the line against the Baltic republics and other regions that have rejected Moscow's authority.

Mr. Gorbachev's proposals for an executive presidency include a presidential cabinet comprised of the heads of the 15 republics and a security council, which would include the leaders of the military, the KGB and the Interior Ministry.

An aide, Giorgi Shakhnazarov, said that Prime Minister Nikolai I. Ryzhkov, an unpopular economic conservative, would not likely be included in the new government.

"This is not a return to the methods of dictatorship and arbitrary power which we have rejected, but we must have order if we are going to get the country out of the crisis it's in," Mr. Gorbachev said. "We are facing a paralysis of executive power, locally and at all higher levels. We must break this knot."

In nearly every respect, Mr. Gorbachev seemed determined to de-emphasize radical reform in the name of order and stability.

The economic section of Mr. Gorbachev's speech reflected views far closer to Mr. Ryzhkov's than the two economists in his cabinet, Stanislav S. Shatalin and Nikolai Y. Petrakov. He expressed objections on ideological ground to private property, but suggested that republics hold their own referendums on the issue.

Mr. Gorbachev also gestured in the direction of cultural conservatives when he attacked "mass media profiteers" who purvey "violence, pornography and the undermining of public morals." He also criticized the intelligentsia, his earliest base of support, for failing "always to think through" their proposals.

The Soviet president seemed to

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Speaking to reporters Monday in Washington, President Bush said he still hoped to talk with Iraqi leaders on the Gulf crisis.

Bush Warns Hussein: Don't Doubt U.S.

Compiled by Our Staff From Dispatches

WASHINGTON — President

George Bush said Monday that President Saddam Hussein of Iraq was "just as wrong as he can be" if he doubted that the United States would go to war to win the liberation of Kuwait.

Mr. Bush, at a news conference, said the UN resolution authorizing force against Iraq "must be fulfilled" unless Mr. Hussein withdrew all his troops from Kuwait by midnight Jan. 15.

The president refused to rule out the possibility of a date beyond Jan. 3 for talks in Baghdad between Secretary of State James A. Baker 3d and Mr. Hussein. But he sug-

gested anew that the Iraqi's choice of Jan. 12 would be too close to the UN deadline.

Mr. Bush, apparently referring to the logistical demands of withdrawing a large army on short notice, said: "Listen, if I thought that meeting on the 14th would permit him to comply fully with the United Nations resolution, I'd be very flexible. But that's not possible."

Mr. Bush demanded that Iraq completely withdraw from Kuwait by Jan. 15 and vowed that there would be "no concession, no negotiation for one inch of territory."

"He has got to leave without condition," Mr. Bush said after meeting with representatives of 28

countries that have contributed money or troops in the Gulf crisis.

"None of us wants war, but none of us is prepared to accept a partial solution," he said.

Mr. Bush said Mr. Hussein should pay attention to the building of military force against him and "draw the conclusion he ought to get out without concession."

"I want to see the United Nations resolutions fulfilled right on schedule," he said. "But I am not going to shove these talks right up against the UN deadline."

Mr. Bush later met the U.S. ambassador to Kuwait, W. Nathaniel Howell, who was among the last

Americans to be evacuated from Kuwait and Iraq.

When reporters asked Mr. Howell if Iraq's determination to remain in Kuwait did not bode well for U.S. interests there, it was Mr. Bush who responded.

"It doesn't bode well for Saddam Hussein," the president said.

Mr. Bush said Mr. Hussein apparently did not believe that the United States would go to war.

"A lot of people who think they understand him don't feel that he believes we are serious," Mr. Bush

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U.S. Foresees Deadline 'Ploy'

Partial Withdrawal by Iraq Isn't Acceptable, Baker Says

By Thomas L. Friedman

New York Times Service

BRUSSELS — Secretary of State James A. Baker 3d warned NATO on Monday that he expected President Saddam Hussein of Iraq to announce a partial withdrawal just before the United Nations deadline for Iraq to leave Iraq. He urged his colleagues to stand united against any such "ploy."

Mr. Baker, addressing NATO foreign ministers at the annual winter meeting of the Western alliance, voiced publicly for the first time what has been worrying U.S. officials ever since the UN Security Council set a Jan. 15 deadline for Iraqi troops to be out of Kuwait or be evicted by force.

That worry is that Mr. Hussein will, on or about Jan. 15, announce a partial withdrawal from Kuwait and then try to split the international coalition between those who would still insist on a total pullout and those who would use his partial withdrawal as an excuse to avert a war and cut a deal in which Iraq would retain at least part of Kuwait.

"I think," Mr. Baker said, "we should anticipate that as we draw close to Resolution 678's Jan. 15 deadline, and as the choices are presented starkly, Saddam Hussein is likely to try to undercut the collective will of the international community to use force. Just as I believe he chose to release hostages for this purpose, I think he may take a dramatic step on or around Jan. 15. He could withdraw partially."

Mr. Baker added: "We have all agreed that partial solutions or outcomes that are conditional or linked to other issues are unacceptable. We need to anticipate Saddam's possible moves, be prepared for a partial withdrawal ploy and coordinate closely our responses."

The NATO foreign ministers formally committed the alliance on Monday to the UN resolution authorizing force to end Iraq's occupation of Kuwait. They also agreed that an Iraqi request for talks with the European Community should be used to drive that point home.

Foreign Minister Gianni De Michelis of Italy, whose country is currently serving as president of the European Community, said the EC foreign ministers would decide at a meeting Tuesday whether to go ahead with the planned visit to Rome this week by the Iraqi foreign minister, Tariq Aziz.

That visit was initially scheduled when it was assumed that Mr. Aziz would go to Washington on Dec. 17 and then come to Rome for talks with the EC as a follow-up.

With the Washington talks now on hold, until the two sides can agree on dates for Mr. Baker's visit to Baghdad, it is not clear whether the NATO allies want to see the Iraqi minister at this time. Some NATO members say they fear Mr.

Crisis in the Gulf

Moscow is ready to pay Iraq to let Soviet experts leave.

Treading carefully, Congress prepares for a Gulf debate.

A Palestinian threatens to attack U.S. and other Western targets.

Articles on Page 6

Aziz would use the meeting to try to drive a wedge between them and the Americans.

The United States has suggested any day from Dec. 20 to Jan. 3 for Mr. Baker to meet with Mr. Hussein, but has rejected the sole Iraqi offer of Jan. 12 as being too close to the UN deadline.

Mr. De Michelis insisted that the EC objective in agreeing to the meeting with Mr. Aziz was to "strengthen, not weaken the international cohesion" against Iraq.

In addition to calling on his colleagues for unity, Mr. Baker also put them on notice that he would soon be calling on them for more money.

"When I last spoke to you on this subject, we had not yet augmented our forces in the Gulf to provide a credible offensive capability," Mr. Baker said. "That was a very big decision for us. It meant calling up reserves and diverting tens of thousands of families. It meant significant new economic burdens for us. And it means real risks and real sacrifices for the American people. It is in this context that we will be coming to you again to discuss how we might responsibly share these additional costs and risks."

Administration officials said they had no particular intelligence that the Iraqi leader was planning such a partial withdrawal. They said it was merely that such a move would seem perfectly logical for a tactician of his nature, who, if faced with a clear and present military threat, would first try to see if a partial withdrawal would stall his opponents before considering a total pullout.

With the international coalition against Iraq still fragile, and the interests and inclinations of many of its members widely divergent, Mr. Baker repeatedly hammered home to his NATO colleagues the need for unity as the crisis enters what could be its endgame.

"Making clear that there will be no reward and no linkage to other issues is essential to convincing Saddam, one, that he cannot drive wedges between us and, two, that time is running out," Mr. Baker said in his speech at NATO headquarters in Brussels.

"A peaceful outcome depends on his seeing that he has only two choices," he said. "Any meeting with the Iraqis should reinforce the starkness of the choices, lest any miscommunication lead them to miscalculate once again, thereby actually increasing the risk of war."



Anti-Communist demonstrators picketing delegates as they arrived Monday for a session of the Congress of People's Deputies.

De Maizière Resigns Cabinet Post Amid Charges He Worked for Stasi

By Stephen Kinzer

New York Times Service

BONN — One of Germany's most prominent political figures, Lothar de Maizière, stepped down from his party and government posts on Monday after accusations that he had worked with secret police agents in the former East Germany.

Mr. de Maizière served for most of last year as East Germany's first and only non-Communist prime minister. After the dissolution of East Germany on Oct. 3, he was named minister without portfolio in Chancellor Helmut Kohl's government.

Senior aides to Chancellor Kohl launched an intensive investigation of Mr. de Maizière's background after Der Spiegel, the news magazine, asserted a week ago that he had been a police informer from 1981 to 1989.

"The accusations are not without concrete basis, and they cannot be ignored," Interior Minister Wolfgang Schäuble announced at a news conference.

Mr. Schäuble said he had uncovered "various clues" suggesting that an informer listed in East German police files under the code name "Czerny" was in fact Mr. de Maizière.

After Mr. Schäuble finished reporting his conclusions, Mr. de Maizière read a statement announcing that he was quitting his cabinet post, and that he would not accept a position in the government that Chancellor Kohl is now forming after his recent re-election.

He also stepped down as vice chairman of Mr. Kohl's Christian Democratic Union and as chief of the Christian Democrats' political organization in the province of Brandenburg.

He said, however, that he would not give up his seat in the new all-German parliament, which means that he will be immune from prosecution.

From his parliamentary seat, he said, he would "do everything in my power to clear up this suspicion."

"My contacts with the Ministry

for State Security grew out of my work as a lawyer and were aimed at helping my clients," he said. "I made friends, and apparently also enemies."

Mr. de Maizière was one of Chancellor Kohl's close confidantes. The chancellor issued a brief statement on Monday saying that he was "deeply moved" by Mr. de Maizière's decision to resign his cabinet seat and suspend his party activities.

Mr. de Maizière, 50, was the leading political figure in post-Communist East Germany. During his months as prime minister, he traveled widely and met with many world leaders, including George Bush and Mikhail S. Gorbachev. He was thought to have bright political prospects, but after the announcements on Monday his future in Bonn appeared bleak.

Other leading politicians from eastern Germany have also been forced to quit important posts after charges that they collaborated with

See GERMANS, Page 2

Klosk

8 Accused in 1970 Gdansk Slayings

WARSAW (UPI) — The military prosecutor's office has charged eight army officers in connection with the 1970 Gdansk shipyard riots in which the army fired on demonstrators, killing more than 50 people, the government said Monday on the 20th anniversary of the massacre.

Justice Minister Alexander Borkowski said the two-month investigation, which is still under way, has resulted so far in the arrest of three generals and five colonels. Their names were not made public.

Schluter to Form a Danish Coalition

COPENHAGEN (Reuters) — Prime Minister Poul Schluter said Monday that he would form a two-party minority coalition in Denmark including his own Conservatives and the Liberal Party.

The coalition will control only 61 of the 179 seats in parliament, making it the smallest of the five governments Mr. Schluter has led since coming to power in 1982.

General News

John Tower has retaliated in a book on the Senate for rejecting him as defense chief. Page 3.

Andrei D. Sakharov is a presence in the Soviet Union, a year after his death. Page 5.

Style

Business/Finance

U.S. banknotes are running at a record rate. Page 11.

Crossword

Page 8.

Dow Close 2,593.32 Down 0.49

The Dollar DM 1.487 Pound 1.9305 Yen 133.15 FF 5.082

Hongkong Bank's Transfer to U.K. Strikes Blow at Colony's Confidence

By Steve Glain

International Herald Tribune

HONG KONG — Hongkong & Shanghai Banking Corp. said Monday that it would transfer its assets to a British company. The move could further sap business confidence in the colony, which reverts to Chinese control in 1997.

Hongkong Bank, the colony's largest bank, also said that it would shelve plans to increase its 14.9 percent stake in Midland Bank PLC. Analysts had expected Hongkong Bank to seek a merger as a way of moving its assets to Britain.

At a news conference, Hongkong Bank's chairman, William Purves, said the bank was transferring most of its assets to a U.K.-registered company in an effort to ally concerns over the bank's future. Under the plan, the bank will rename its Sicom Ltd. subsidiary as HSBC Holdings Ltd., which will then be transformed into the holding company for the bank and all its assets.

Mr. Purves nonetheless stressed that the company was firmly committed to the British colony.

"I do have confidence in Hong Kong," he said, "but sadly I cannot always convince others. It would not be in our interests to leave. We've been here for 150 years, and this is no time to turn our backs on Hong Kong."

But Hong Kong, which already suffers a yearly brain drain of some 60,000 trained professionals who are worried about their prospects under Communist rule, is likely to face a further blow to confidence because of the bank's decision, analysts said.

Brokers said that the decision would create the unique situation of a major financial institution, which operates here in some ways like a central bank, being owned by a company based abroad.

Hongkong Bank issues more than half of the currency and functions as the main clearing bank in Hong Kong. Its hidden secret reserves are believed to be worth more than \$2 billion.

The move also was perceived as enabling the Hongkong Bank to distance itself from Midland.

"They don't need to worry about it anymore," said David Kowitz, an analyst with Jardine Fleming Securities Ltd. "Before, they were compelled to use Midland as a way out of Hong Kong. Now they don't have to think about it that way."

Hongkong Bank bought a 14.9 percent stake in Midland, valued at \$383 million (\$741.8 million), in 1987. But since then, the British bank's shares have fallen sharply.

Both banks have reported recently that their loan portfolios have high exposure to Third World debt, recessionary property markets and embarrassing equity positions.

"The difficult economic conditions affecting most of the world's major banks, and the uncertain state of financial markets, do not at present provide a sufficiently stable environment in which to consider a fundamental change in the relationship between Midland and Hongkong Bank," Mr. Purves said.

Although he said both groups

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Curfew Enforced In India in Effort To Contain Rioting

Complied by Our Staff From Dispatches

AGRA, India — Soldiers patrolled the city of Agra, site of the Taj Mahal, enforcing a curfew imposed on Monday after at least 11 persons were killed here in the Hindu-Muslim violence.

More than 300 people have died in the country since Dec. 7 in violence sparked by a dispute between the two faiths over a shrine in Ayodhya in the northern state of Uttar Pradesh.

Senior officials describe the violence as among the worst since India gained independence 43 years ago.

Prime Minister Chandra Shekhar said in New Delhi, "It is very difficult to grapple with the situation. We want to deal with the situation with restraint and patience."

However, if dialogue fails and the violence does not subside, he said, "any amount of force that is needed will be used in order to stop the situation."

In Agra, also in Uttar Pradesh, a police spokesman said that at least 11 persons had been killed and 28 injured in fighting here since Friday.

Soldiers, paramilitary forces and policemen patrolled the streets and guarded the Taj Mahal, which has been closed since the fighting broke out.

The soldiers turned back two Australian tourists who tried to enter the grounds of the building. The huge wooden gates were shut, and an official said it was too dangerous to allow anyone inside. The Taj Mahal, a mausoleum, was built by the mogul emperor Shah Jahan in memory of his wife.

Officials feared that Hindu extremists might make a target of the Taj Mahal, a popular tourist destination. India, whose foreign exchange reserves have plunged in the Gulf crisis, needs the revenue from a tourism industry already hurt by separatist violence in another traditional attraction — Kashmir.

An indefinite curfew and heavy security kept most people off Agra's streets, and nearly every shop was boarded up.

One official said the situation, although under control, was still very tense. Policemen combed residential areas for weapons.

"Don't give any passes to politicians," the official told his subordinate, who was handing out curfew passes. Political analysts say the violence is as much motivated by politics as religion.

Along one winding street with Muslim homes on one side and Hindu on the other, there was no sign of life and shutters were closed. In a nearby street, the remains of the front of a Muslim shoe market still smoldered after being set ablaze two nights ago.

The police spokesman said that the clashes broke out in Agra after Hindus marched through the streets carrying ashes of militants killed six weeks ago in an assault on a mosque that stands on the disputed site in Ayodhya.

The militants are campaigning to claim the Ayodhya site as the birthplace of the Hindu god-king Lord Rama. They say Muslim invaders razed a temple on Lord Rama's birthplace in 1528 to build a monument to the Islamic conquest of India.

The campaign has inflamed historic tensions between India's 650 million Hindus and the 100 million Muslims whose families chose to stay behind when Pakistan gained independence from Britain in 1947.

One of the injured said he had been attacked at midnight on Friday by about 12 masked men who beat him with iron rods and set fire to his house.

The police in the Uttar Pradesh capital, Lucknow, said other cities and towns in the state hit by the violence were returning to normal, although curfews remained in force in most of them. (Reuters, AP)



Mr. de Maizière leaving party headquarters Monday in Bonn.

GERMANS: De Maizière Resigns From Government

(Continued from page 1)

The Stasi, the Communist secret police was known. Hundreds of thousands of Stasi files remain to be reviewed by investigators, and it is widely presumed in Bonn that more dramatic revelations are still to come.

"Who will be next?" said a television commentator, Peter Voss, in a report Monday night. "Is de Maizière the tip of the iceberg?"

The informer known as "Czerny" was listed on a Stasi file card as having lived in the same building where Mr. de Maizière had an apartment. In the late 1980s, "Czerny" reported regularly on activities of East Germany's Protestant church.

Mr. de Maizière was at that time a member of the East German Evangelical Synod, the Protestant governing body.

Stasi files were scattered during the chaotic final months of 1989, when East Germany's Communist government was collapsing, and some have been found that contain copies of anything Mr. de Maizière reported. He repeated on Monday that he had never provided written reports or accepted money for his work.

"The possibility of finding files that will further clarify this matter is not great," Mr. Schauble said Monday.

When asked why the government had not investigated Mr. de Maizière sooner, Mr. Schauble said that until the report in Der Spiegel, he knew of no reliable allegations against him.

"It was a rumor and nothing more," he said.

The question of how to deal with Stasi informers and agents, as well as with Stasi spies who worked in West Germany, is becoming a major political issue in Germany. Former Chancellor Willy Brandt called last week for prosecution of high-ranking agents and spies, but urged that the hundreds of thousands of lower-level informers be pardoned.

The chief federal prosecutor, Alexander von Stahl, has said that it is too early to consider any form of amnesty. Many political leaders from the former East Germany have demanded that the new all-German government conduct an exhaustive investigation of Stasi activities.

Baghdad Says It's Ready for 'Decisive' War

Agence France-Press

BAGHDAD — Iraq warned on Monday that it was prepared to do battle with the United States and said its known military capacity was but "the tip of the iceberg."

"Iraqis have a great desire to undertake the decisive battle," said Ali Thawra, the publication of the ruling Arab Ba'ath Socialist Party.

It said that "Iraqis were also advocates of peace, although not one that means acceptance of U.S. hegemony."

"All measures have been taken on the front to inflict disorder in the ranks of the aggressor," Ali Thawra said.

The Defense Ministry journal Al Qadisiyah, asserted that Iraq's military capacities were only "the visible tip of the iceberg," behind which stands "a formidable and destructive power."

U.S. Study Finds No Proof of Iraqi Gassing Kurds

The Associated Press

WASHINGTON — A military study says the United States had no conclusive evidence when it accused Iraq of using chemical weapons against its Kurdish minority in September 1988.

The report, written by three analysts at the U.S. Army War College before Iraq invaded Kuwait on Aug. 2, also examines Iraq's performance in the Iran-Iraq war that ended in July 1988. The authors said that their conclusions did not necessarily represent the views of the war college or the army.

"Claims that they won simply by using massive amounts of chemical weapons cannot be substantiated," concludes the study, titled "Iraqi Power and U.S. Security in the Middle East." One of the authors said that the writers concluded that Iraq's triumph over Iran "was pretty much an armory victory."

The report, which was declassified and released to the public in the summer, raises questions about whether President Saddam Hussein used chemical weapons against the Kurdish minority in Iraq.

"Having looked at all of the evidence that was available to us, we find it impossible to confirm the State Department's claim that gas was used in this instance," the authors said, saying that "to begin with, there were never any victims produced."

Education Chief Named by Bush

Reuters

WASHINGTON — President George Bush named Lamar Alexander, a former governor of Tennessee, on Monday to head the Education Department.

Mr. Bush, who has had three senior officials leave in recent weeks, wasted little time in replacing Education Secretary Lauro Cavazos, who stepped down on Saturday. "No governor in the country is so clearly identified with the imperative to improve education in America," Mr. Bush said in announcing the nomination.

Mr. Alexander, 50, is president of the University of Tennessee and has a reputation as an innovator and enthusiast for educational change. His name surfaced briefly in 1988 as a possible Republican vice-presidential candidate. He was governor from 1979 until 1986.

Japan's Gulf Funding Gains Final Approval

Agence France-Press

TOKYO — Japan's fiscal 1990 supplementary budget, including \$1 billion pledged to the U.S.-led multinational force in the Gulf, won final legislative approval on Monday.

The 2.28 trillion yen (\$17 billion) budget was declared approved by the lower house, after a joint meeting with the legislature's upper chamber, which had delayed passage of the budget.

Britons Warned to Quit Gulf

By Craig R. Whitney
New York Times Service

LONDON — The British Foreign Office advised dependents of British nationals working in the Gulf region on Monday to leave "well before" the United Nations deadline of Jan. 15 for Iraq to withdraw peacefully from Kuwait.

"This is a commonsense precaution and does not imply any worsening of the situation in the last few days," a spokesman said. The warning, which was read over BBC radio, was addressed to British citizens living in Bahrain, Qatar, eastern Saudi Arabia and the Saudi cities of Riyadh and Tabuk.

But the minister of state for the armed forces, Archie G. Hamilton, said after visiting British troops in Saudi Arabia on Monday that he was concerned that President Saddam Hussein of Iraq could decide to make a preemptive strike on U.S., British and other allied forces massed along the Kuwaiti border even before Jan. 15.

"I think possibly, as he gets more desperate, then that danger might increase," Mr. Hamilton said, according to a Reuters dispatch from Saudi Arabia.

The government under Prime Minister John Major and his predecessor, Margaret Thatcher, has sent about 34,000 British troops to the Gulf. They are to operate under U.S. command with the 400,000 U.S. forces there if the decision is made to use force to get Iraq out of Kuwait after Jan. 15, as authorized by a UN Security Council resolution last month.

Officials in the prime minister's office and the Defense Ministry said they believed that if Mr. Hussein had not ordered his troops out by Jan. 15, the allies would have little choice but to go in no later than the end of March, when hot weather returns to the Saudi desert.

Defense Minister Tom King said the government was also seeking up to 1,500 volunteers from reserve forces, mainly people with medical training, to go to the Gulf, hoping to avoid the necessity of a limited call-up. Britain, like the United States, has all-volunteer armed forces.

The Foreign Office warning to British citizens said its advice to visitors remained unchanged. "Tourists should not visit the area," it said. But those who have necessary business to conduct should not be deterred.

Officials in London said 4,725 Britons, including about 3,000 women and children, were living in Bahrain; 2,870 were in Qatar, including 1,520 women and children; 7,100 were in eastern Saudi Arabia, including 3,100 dependents, and 6,500 were in Riyadh, including 2,800 dependents.

The British ambassador to Kuwait, Michael Weston, and a consul, Larry Banks, arrived in Baghdad Sunday after locking the doors of their embassy and leaving the United Kingdom flying.

Iraq no longer recognizes foreign diplomatic missions in Kuwait and demanded that they be closed. Technically, the United States and Britain have left their embassies empty but open.

Mr. Weston said that 35 Britons had elected to stay in Kuwait.

BUSH: 'Don't Doubt U.S.,' He Says

(Continued from page 1)

said. "They don't feel that he thinks we will use force."

Mr. Bush said Mr. Hussein also "does not understand the debate in this country" as members of Congress, as well as former military leaders, argue that sanctions should be given more time to work before force is used.

"He thinks it means that our country is divided and we cannot go forward to do our part in implementing the UN resolutions," Mr. Bush said. "And he's just as wrong as he can be."

Asked what he would do if Mr. Hussein failed to meet the deadline, Mr. Bush said: "I think at midnight if he's not totally out of Kuwait, the UN sanctions must be fulfilled. So let's see. I still hope for a peaceful solution to this problem."

The senior American diplomat in Baghdad said that Iraq's Foreign Ministry official met Monday to discuss the dispute over dates for proposed Gulf crisis meetings between the United States and Iraq.

In what diplomats said could be a sign of progress, the U.S. charge d'affaires, Joseph C. Wilson 4th, held talks with Foreign Ministry Undersecretary Nizar Hamdoun in a meeting requested by the United States.

A meeting between Foreign Minister Tariq Aziz of Iraq and Mr. Bush, tentatively set for Monday, was called off after the two sides failed to agree on when Mr. Baker would meet Mr. Hussein.

Iraq had proposed Jan. 12, a date rejected by Washington as too near the UN deadline.

Mr. Bush vowed anew that Iraq would not be allowed to profit from its takeover of Kuwait.

"We've got an opportunity for a new world order," he said, "but that opportunity will be lost if an aggressor gets one single concession. It's important that the man understand that we're serious about this." (AP, Reuters)

Gulf Notes

■ Algeria has reaped an extra \$2.5 billion in export earnings and \$17.5 billion more in tax revenue because of the Gulf crisis and the resulting crude oil price rise, Economy Minister Ghazi Hidouci said in Algiers on Monday. (AP)

■ French nationals who were held hostage at Iraqi strategic sites will be paid twice as much compensation as those detained in luxury Baghdad hotels. Participants at a weekend meeting of former hostages said France would give \$6,000 to each "human shield" hostage but only \$3,000 to other former captives. (Reuters)

■ Doctors from a Nobel Prize-winning peace group that plans to warn President Saddam Hussein of the horrors of a Gulf war said Monday that they knew their trip to Baghdad might be used for Iraqi propaganda purposes, but that they had a moral duty to try to prevent an armed conflict. The group, the International Physicians for the Prevention of Nuclear War, said a war between Iraq's million-strong army and the U.S.-led multinational force in the region would be a medical catastrophe. (UPI)

■ Pakistan began sending 3,000 more troops to Saudi Arabia on Monday, dispelling doubt about its commitment to supporting Saudi Arabia against Iraq. The first infantry soldiers left aboard a Saudi airliner and the rest will follow over the next two days, a military spokesman said. (Reuters)

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Jordan-Syria Consultations
Reuters
AMMAN, Jordan — Prime Minister Mudar Badran of Jordan flew to Damascus on Monday for Gulf crisis consultations. Jordan is trying to start talks among divided Arab leaders parallel to proposed U.S.-Iraqi talks.

Romania Struggles To Forge Coalition

Reuters

BUCHAREST — The Romanian government began coalition talks with an opposition party Monday in a bid to defuse political tension and form a government of national unity.

President Ion Iliescu told local radio he had begun mediating in talks between the National Liberal Party leader, Radu Campeanu, and Prime Minister Petre Roman in an effort to pull Romania out of its political and economic crisis.

The talks concentrated on a dialogue and negotiations to be conducted over the next few days, Mr. Iliescu said. He said that Mr. Campeanu had pledged to work with other opposition parties "to find possible solutions for co-participation in government by opposition parties."

The meeting coincides with continuing anti-government protests. Mr. Iliescu said the talks involved Mr. Campeanu and four of his party colleagues; Mr. Roman; Claudiu Iordache, vice president of the National Salvation Front; and the leaders of both chambers of the parliament, Alexandru Barladeanu and Dan Marian.

Tens of thousands of students and workers held protests Monday to press demands for the government to resign.

The most serious disruption was a work stoppage at the national airline Tarom. Domestic flights were grounded, and international flights were delayed.

On Sunday, there were rallies across the country to mark the anniversary of the revolution that toppled Nicolae Ceausescu.

Many of those demonstrations were smaller than expected after Mr. Roman moved to defuse mounting unrest over economic changes by announcing on Dec. 7 that price increases on foods, planned for January, would be postponed until June.

Still, thousands of people gathered again on Monday at the Opera Square in the western town of Timisoara, the birthplace one year ago of the revolt against Mr. Ceausescu.

The protests and a boycott of classes — estimated to have the support of 100,000 students — are part of an opposition campaign to force the government to resign because of alleged neo-Communist links and a harsh economic program.

Mr. Roman has been under attack for bungling the transition to a market economy, while Mr. Iliescu has been accused of being an unrepentant neo-Communist with authoritarian leanings. (Reuters, AP)

SOVIETS: Hard-Line Speech

(Continued from page 1)

give a time limit to his movement to the right. He said "the only sensible policy" was to consolidate executive power and "steer the country over the next 12 to 18 months toward normal, healthy development along the path of renewal."

Nothing summed up better the overall response to Mr. Gorbachev's speech than the reactions of two well-known politicians: Boris N. Yeltsin, president of the Russian Republic, and Yegor K. Ligachev, a former Politburo member who was Mr. Gorbachev's keenest conservative critic until he was forced out of the leadership this summer.

After Mr. Gorbachev finished, Mr. Yeltsin was downcast, even dispirited. Although he sat next to Mr. Gorbachev throughout the session on the podium and often chatted amiably with him, Mr. Yeltsin said he was very disappointed by the report.

"It looks like we are returning to a hard dictatorship of the center," he said, meaning Moscow's control over the republics.

In contrast, Mr. Ligachev was ebullient. "Our views are coming together," he said of Mr. Gorbachev's law and order speech. "When we were in the Politburo together, we debated over whether conservatism was the most important danger. But now, a split in the union is the greatest danger."

Some liberals, however, said that the current crisis demanded a more hard-line approach from Mr. Gorbachev in order to get the country through a period when the old economic and political structures are crumbling and there is little to take their place.

"Our political regime should be more authoritarian," said Moscow's deputy mayor, Sergei Stanokovich.

Vitali A. Korotich, editor of the liberal weekly Ogonyok, said the Congress rejected the no-conservation motion not because the Soviet president is so popular — his ratings have plunged in the last year — but because of the fear of alternatives.

"The democrats are afraid of a Pinochet and the right is afraid of something worse than Gorbachev," he said. The reference was to the former Chilean military dictator, Augusto Pinochet.

Deputies from Armenia and Lithuania boycotted the session. Both republics have issued declarations of independence and refuse to sign a union treaty. In a telegram to the Kremlin, President Vytautas Z. Landsbergis of Lithuania wished the Congress luck and offered food aid to Moscow.

WORLD BRIEFS

Palestinians Banned From Jerusalem

JERUSALEM (AP) — Israeli policemen blocked thousands of Palestinians from entering Jerusalem on Monday and barred Arab youths from the mosques on the city's Temple Mount.

The heightened security was intended to head off clashes with Jewish extremists and to prevent protests over Israel's decision to deport four Muslim fundamentalist leaders from the occupied Gaza Strip. Officials in Jerusalem anticipated angry reaction to the expulsions since Palestinians, many of whom were driven out of Israel with the founding of the state in 1948, consider deportation from the occupied lands the worst possible punishment.

In the West Bank, students at the closed Bir Zeit University held a march and stoned policemen to protest the planned deportations, Israeli radio reported. The police dispersed the demonstration with tear gas and rubber bullets and arrested four protesters.

EC Offices in Athens Bombed Again

ATHENS (AP) — Greece's November 17th terrorist organization took responsibility Monday for a rocket attack on the Athens offices of the European Community, the third against the premises in consecutive years.

The attack, carried out a few days after the conservative government passed a strict anti-terrorism law, caused extensive material damage and injured two passers-by. Apart from a guard, there were no employees in the premises during the overnight attack.

The police said that two rockets, triggered by a time device, were launched from two bazookas placed in an empty apartment opposite the EC offices. Much of the material, the police said, had been stolen from an army depot in December and has been used by the same organization on other occasions.

Panel Prepares to Investigate Ershad

DHAKA, Bangladesh (AP) — The caretaker government set up a three-member commission on Monday to investigate corruption allegations against the deposed president, Hussain Mohammed Ershad, who was placed under house arrest last week.

A government announcement said a Supreme Court justice would head the committee that will look into charges of abuse of power by Mr. Ershad and other members of his government.

The police detained Mr. Ershad on Wednesday under the provisions of the Emergency Powers Act, which permits arrest without charges. He, his wife, Raushan, and his 8-year-old son were being held in a suburban house once occupied by the British high commissioner.

Albanians Trying 157 in Violence

BELGRADE (APF) — Albania put 157 people on trial Monday after their arrests in violent demonstrations last week, the Yugoslav press reported, quoting Albanian officials. Those facing trial were arrested in three provincial cities: 53 in Elbasan, 60 in Shkoder and 42 in Durres.

Cheslaj Ljuma, the chief of police, said Tirana would institute new "measures to strengthen public order" after the rioting. He spoke on Tirana radio in a report monitored in Belgrade. Charges against the 157 include illegal gathering, looting, assassination attempts and causing injury.

In a separate development, Albania's first opposition party, formed last week, had its first meeting with government leaders on Sunday, a party member, Besnik Mustafaj, said by telephone.

Inquiry Is Urged Into Fez Rioting

RABAT, Morocco (AP) — Opposition parties on the right and left on Monday demanded creation of an independent commission to investigate rioting in Fez over the weekend in which at least five people died and more than 200 were injured. Human-rights groups, as well as unions that organized a general strike on Friday, said the death toll was substantially higher.

Parliament was to convene late Monday to hear Prime Minister Azzedine Laraki's report on the riots. There was speculation he would announce measures to increase salaries and aid to low-income families. In France, which ruled Morocco before independence in 1956, the governing Socialist Party accused Moroccan security forces of "bloody and very harsh" repression of the riots.

Tension remained high in Fez and other cities on Monday, and minor clashes were reported during the night in Rabat between security forces and protesters.

Manila Hopes to Ban U.S. A-10s

MANILA (Reuters) — Foreign Secretary Raul Manglapus said Monday that the Philippines planned to include a clause in any future treaty on U.S. military bases barring nuclear weapons, but acknowledged Manila had no way of enforcing the ban. "At the moment the Americans know that our armed forces do not have the capability of detecting nuclear weapons," he said.

He said that the present agreement with the United States barred the storage of nuclear weapons on Philippine territory but that Manila would insist on a non-nuclear clause in a new treaty. But he said this was difficult to enforce because of the U.S. policy of neither confirming nor denying the presence of nuclear weapons.

Briton, 19, Awaits Thai Sentencing

BANGKOK (AP) — The judge trying the case against a British teenager who admitted to charges of heroin trafficking said Monday that he was bound by the law to issue a death sentence but added that it could be commuted to life imprisonment.

The trial of the Briton, Karyn Joanne Smith, 19, of Solihull in the Midlands, ended Monday and sentencing was set for Thursday. She was arrested at the Bangkok international airport in July with a fellow Briton, Patricia Ann Cahill, 17. The police said the two carried suitcases containing 26.3 kilograms (about 58 pounds) of heroin.

Both women initially said they were not guilty, but Miss Smith changed her plea in the hope of receiving a lighter sentence. Miss Cahill has stuck to her plea of not guilty. Under Thai law, convicted heroin traffickers face the death sentence. Officials say no Westerner has ever been executed.

For the Record

Gari Kasparov, who seems set to retain his world chess title, put off the 21st game of his championship match in Lyon against Anatoli Karpov on Monday. Mr. Kasparov, who leads the 24-game series, 11 points to 9, called his last time-out. The game will be played Wednesday. (Reuters)

TRAVEL UPDATE

The incursion of an airliner onto a runway in use by another plane, such as in the fatal collision of two Northwest jets two weeks ago in Detroit, has become a national problem, a U.S. aviation official said. The incursions have occurred as often as once every 12.75 takeoffs or landings, which is the ratio for such incidents during a 20-month period at Logan International Airport in Boston, records show. (AP)

WEATHER

EUROPE				ASIA			
	HIGH	LOW	WIND		HIGH	LOW	WIND
Amsterdam	10	5	W	Bangkok	34	24	W
Antwerp	10	5	W	Beijing	10	0	N
Berlin	10	5	W	Hong Kong	22	12	W
Bombay	30	20	W	Kobe	10	0	N
Buenos Aires	20	10	W	Manila	28	18	W
Calcutta	30	20	W	Osaka	10	0	N
Cairo	20	10	W	Seoul	10	0	N
Cebu	28	18	W	Singapore	30	20	W
Dakar	20	10	W	Taipei	10	0	N
Dhaka	28	18	W	Tokyo	10	0	N
Hankow	10	0	N				
Hong Kong	22	12	W				
Kobe	10	0	N				
London	10	5	W				
Los Angeles	20	10	W				
Lyons	10	5	W				
Madrid	10	5	W				
Moscow	10	0	N				
Mumbai	30	20	W				
New Delhi	30	20	W				
Paris	10	5	W				
Peking	10	0	N				
Rangoon	28	18	W				
San Francisco	14	4	W				
Singapore	30	20	W				
Taipei	10	0	N				
Tokyo	10	0	N				

AFRICA				LATIN AMERICA			
	HIGH	LOW	WIND		HIGH	LOW	WIND
Algiers	10	0	N	Buenos Aires	20	10	W
Cairo	20	10	W	Caracas	28	18	W
Cape Town	20	10	W	La Paz	10	0	N
Casablanca	10	0	N	Lima	20	10	W
Conakry	20	10	W	Mexico City	20	10	W
Dakar	20	10	W	Rio de Janeiro	20	10	W
Harare	20	10	W				
Johannesburg	20	10	W				
Khartoum	20	10	W				
Luanda	20	10	W				
Maputo	20	10	W				
Nairobi	20	10	W				
Rabat	10	0	N				
Salvador	20	10	W				
Sao Paulo	20	10	W				
Tripoli	10	0	N				
Windhoek	20	10	W				

NORTH AMERICA				MIDDLE EAST			
	HIGH	LOW	WIND		HIGH	LOW	WIND
Anchorage	10	0	N	Amman	20	10	W
Atlanta	10	0	N	Bombay	30	20	W
Boston	10	0	N	Cebu	28	18	W
Chicago	10	0	N	Dhaka	28	18	W
Cincinnati	10	0	N	Hankow	10	0	N
Cleveland	10	0	N	Hong Kong	22	12	W
Columbus	10	0	N	Kobe	10	0	N
Dallas	10	0	N	Manila	28	18	W
Denver	10	0	N	Osaka	10	0	N
Detroit	10	0	N	Seoul	10	0	N
El Paso	10	0	N	Singapore	30	20	W
Houston	10	0	N	Taipei	10	0	N
Indianapolis	10	0	N	Tokyo	10	0	N
Jacksonville	10	0	N				
Los Angeles	20	10	W				
Memphis	10	0	N				
Miami	10	0	N				
Minneapolis	10	0	N				
Mobile	10	0	N				
New Orleans	10	0	N				
New York	10	0	N				
Philadelphia	10	0	N				
Pittsburgh	10	0	N				
Portland	10	0	N				
Richmond	10	0	N				
Salt Lake City	10	0	N				
San Antonio	10	0	N				
San Diego	10	0	N				
San Francisco	14	4	W				
Seattle	10	0	N				
St. Louis	10	0	N				
Tampa	10	0	N				
Washington	10	0	N				
Wichita	10	0	N				

Legend: C=cloudy; F=foggy; H=heavy; N=nothing; P=partly; S=sunny; W=windy; B=blowing; D=drizzle; R=rain; S=showers; T=thunder; H=heavy; L=light; M=moderate; V=very; E=extreme; S=sunny; C=cloudy; F=foggy; H=heavy; N=nothing; P=partly; S=sunny; W=windy; B=blowing; D=drizzle; R=rain; S=showers; T=thunder; H=heavy; L=light; M=moderate; V=very; E=extreme.

TUESDAY'S FORECAST — CHANNEL: SHOW: FRANKFURT: Show: Temp. 7-12; Wind: 10-20; Precip: 0. New York: Temp. 3-8; Wind: 10-20; Precip: 0. London: Temp. 5-10; Wind: 10-20; Precip: 0. Paris: Temp.

Priest Leads In Haiti

Joyful Backers Take to Streets

By Howard W. French

New York Times Service

PORT-AU-PRINCE, Haiti — Fulfilling the pledge of his movement to sweep over the country like an avalanche, the Reverend Jean-Bertrand Aristide was apparently the overwhelming winner in Haiti's first democratic elections.

According to unofficial returns Monday from several international election monitoring groups, Father Aristide, a popular 37-year-old Roman Catholic priest, led his nearest rival, Marc L. Bazin, a former World Bank economist, by as much as 30 percentage points.

Father Aristide, who had confidently predicted his victory, abstained from making public comments on the election until official results were announced. But tens of thousands of his supporters, reacting to word-of-mouth news of his victory, choked the streets of the capital this morning in a joyous celebration.

Learning from the windows of cars, sprinting through the streets, singing hymns that have become campaign songs and crowing like fighting cocks — Father Aristide's symbol — the revelers turned the capital into a large and festive party for several hours.

"Today, all Haitians are brothers," said one celebrator, Francisco Dechamps, a 22-year-old student. "Today, Haitian democracy is born after 186 years of misrule."

Noting the depth of the support for Father Aristide in preliminary results, foreign diplomats and international observers congratulated the winner in private meetings on Monday morning, and congratulated Haitians for having taken a major first step toward democratic rule.

"We congratulated him on his victory and told him the United States supports the democratic process in Haiti," said Bernard W. Aronson, assistant secretary of state for inter-American affairs, who came to Haiti as part of the official U.S. observer delegation. "We fully respect him as the apparent president-elect and look forward to working with him."

Quoting a Haitian proverb, Mr. Aronson said he had told Father Aristide, "The more hands offered, the lighter the load," and he added that there was "no doubt we will offer the new government assistance."

In part, Mr. Aronson's comments appeared meant to ease the concerns of Father Aristide's advisers, as well as ordinary supporters, who have been questioning whether the United States would extend significant support to him if he were elected.

"Will the Americans support us?" a young man asked anxiously, in a typical question heard during the street celebrations. "Please tell them to send agricultural machinery and engineers and not weapons to combat the people."

Unlike a previous attempt to hold national elections in 1987, the vote on Sunday, although chaotic, was almost entirely peaceful, with no reports of serious violent incidents.

In 1987, the army was widely thought to have participated in the massacre of at least 34 voters. But on Sunday, the armed forces were the image of cool professionalism.

Police Fire Into Crowd
The police sprayed bullets into a crowd celebrating the election victory of Father Aristide on Monday, killing a pregnant woman, The Associated Press reported from Port-au-Prince. It was the first violence reported in connection with the balloting.

Convictions Show Brazil's New View Of Rain Forests

New York Times Service

RIO DE JANEIRO — The conviction of a rancher and his son for the murder of a celebrated Amazon environmental leader breaks a long tradition of impunity for pro-development forces in Brazil.

The rancher, Darly Alves da Silva, 54, was convicted of planning the Dec. 22, 1988, murder of the Francisco (Chico) Mendes Filho, leader of a rubber-tappers union who became internationally known as a defender of the rain forest.

The rancher's son, Darci Alves Pereira, 23, was convicted of pulling the trigger to kill Mr. Mendes. Both received 19-year prison sentences late Saturday.

The ranchers had sought to expand their pastures by cutting down rain forest.

The murder of Mr. Mendes became an international cause célèbre as concern grew in Brazil, Europe and the United States over unchecked cutting and burning of the Amazon rain forest.

Partly as a result of this outcry, the Brazilian government has abolished tax benefits that had made it profitable to cut the forest for pastureland. A public awareness campaign appears to be slowing the burning of the Amazon.

Lawyers Strike in Algeria
Algiers — About 4,000 Algerian lawyers have gone on strike to protest a government plan to introduce new rules for their profession.



Haitian election workers counting the votes in a voodoo temple that was used as a voting station in Port-au-Prince.

The Drug War: Is Colombia Flagging?

By Douglas Farah

Washington Post Service

BOGOTA — Foreign and Colombian law-enforcement officers are expressing concern that the public exchange between leaders of the Medellín cocaine cartel and the government signals a sharp drop in Colombia's commitment to the U.S.-backed campaign against drug trafficking.

"I have never felt so discouraged," a senior law-enforcement officer said. "The police and the law-enforcement community view this as a complete government sellout. All the progress we made in the past 18 months is going right down the tubes."

Although no direct talks between the government and the traffickers have taken place, the two sides have been responding to each other's proposals and modifying positions for several weeks.

The government insists it is not negotiating, but showing the maximum flexibility allowed under the law to make sure the traffickers spend at least some time in prison. A senior official said President César Gaviria Trujillo, who campaigned as a hard-liner on the drug issue, had not changed his position. He said the president's seeming flexibility was necessary because the drug war had grown unpopular and politically costly.

"What people outside do not understand is that this is necessary to save the policy politi-

cally," the official said. "If we lose politically, then we have lost the whole policy."

Expectations of an imminent deal have been raised as the traffickers, who call themselves "the Extraditables," have freed three of nine journalists they have held hostage. The traffickers have also sent communiques declaring a "unilateral truce" and word that the rest of the journalists will probably be freed before Christmas.

This has given rise to widespread hope here that after 16 months of fighting the traffickers, with more than 1,000 dead, peace is returning to Colombia.

Juan Gómez Martínez, a former mayor of Medellín who is a member of the recently elected constitutional assembly and is an outspoken proponent of dialogue, said Colombia had suffered enough and had to seek a settlement with the Extraditables.

"Public opinion has changed radically," said Mr. Gómez, who is mediator between the families of the kidnapped journalists and the traffickers. "When I first talked about dialogue, I was an outcast. Now most people understand that the solution must be peaceful, not with bullets."

The Extraditables have said that they will turn themselves in if they are assured immunity from extradition and if confession of crime and testimony against others are not made conditions of their surrender. They also demand that any incarceration be in special

prisons and that their rights and those of their families will be respected.

In response, the government has modified its positions in ways seeming to favor the Extraditables. The government has agreed to ban extradition for those who turn themselves in, regardless of what they confess to, as well as to constructing special, spacious prisons to house those who turn themselves in and to investigating human-rights abuses by the police.

Colombian and foreign narcotics experts said the Extraditables were offering to turn themselves in now because they know the state cannot prove anything against them, and because over the last year they have moved much of their business out of Colombia to neighboring countries.

A new Interpol report said that "cocaine production is rapidly spreading to other countries, at the same time Colombians are moving their installations there."

"These include Bolivia, Peru, Ecuador and Brazil," Interpol said.

Drug-enforcement authorities in Bolivia said in November that the production of refined cocaine there had jumped from most nothing last year to 100 tons in 1990.

Although the United States has not publicly criticized Colombia, a senior Colombian official said next year would be rocky in U.S.-Colombian relations.

Angry, Tower Names Names

Texan Retaliates for Senate Rejection as Pentagon Chief

By Kent Jenkins Jr.

Washington Post Service

WASHINGTON — In a harsh, often personal attack on his former Senate colleagues, John G. Tower said he was rejected as defense secretary last year because of partisanship by Senator Sam Nunn and weakness on the part of Senator John W. Warner.

Mr. Tower said in a memoir scheduled for publication in February that the Senate refused to confirm him for the top Pentagon job largely for political reasons, not because of questions about his personal conduct. He accused Senator Nunn, Democrat of Georgia, of blocking the nomination to enhance his presidential prospects. Mr. Tower also said that the "passivity and lack of focus" of Senator Warner, Republican of Virginia, helped Senate Democrats win the battle.

In the book, titled "Consequences," Mr. Tower again denied allegations of heavy drinking and womanizing that were leveled during the confirmation process. Mr. Tower said he quit drinking hard liquor years before he sought a cabinet post, and contended that many of the accusations against him were spread by his former wife, Lilla.

But the memoir includes biting descriptions of at least six other senators, including allegations of excessive drinking by one.

Mr. Tower said that Senator J.

James Exon, Democrat of Nebraska, had "a reputation as one of the most excessive regular drinkers in the Senate."

Senator Ernest F. (Fritz) Hollings, Democrat of South Carolina, is described as "the Senate bully."

Senator John Warner is a wholly owned subsidiary of Sam Nunn.

John G. Tower, former senator from Texas

and "a study in arrogance and pomposity," Senator Robert C. Byrd, Democrat of West Virginia, "has a tendency to resort to a flatulent indignation, which alternately amuses and annoys his Senate colleagues." And Senator John Glenn, Democrat of Ohio, is "not the brightest guy in Washington."

These descriptions are included in the galley proofs of Mr. Tower's book. The publishers, Little, Brown & Co., said neither they nor Mr. Tower had any comment.

Mr. Tower attributed his downfall to Senator Nunn, chairman of the Senate Armed Services Committee, and Senator Warner, the ranking minority member.

Mr. Tower said that Senator Nunn, considered by many the Senate's leading expert on military issues, was jealous of his knowledge of the subject. Mr. Tower chaired the Armed Services Committee before Senator Nunn.

But Mr. Tower said Senator Nunn's primary motivation was to damage Mr. Bush's credibility and to enhance his standing in the Democratic Party.

Senator Nunn was unwittingly abetted by Senator Warner, Mr. Tower asserts. As ranking Republican on the committee, Senator Warner was in charge of shepherding the nomination through the Senate. But Mr. Tower said Senator Warner was "painfully slow on the uptake" and referred to him as "a wholly owned subsidiary of Sam Nunn."

"John suffers from a debilitating political weakness: He wants to be liked by everyone," Mr. Tower wrote. "His passivity and lack of focus had been handicaps since the beginning of the confirmation process."

Of the senators singled out for criticism by Mr. Tower, only Senator Warner would comment.

"If this guy wants to have some fun, I'm willing to give him some," he said. "You've got to know good old John Tower. This is just his Texas style of saying, 'Thank you, John Warner, for voting for me.'"

A Human Gene Therapy First

Altered Cells Produce Crucial Enzyme for a 4-Year-Old

By Larry Thompson

Washington Post Service

WASHINGTON — The first human gene therapy experiment, in which researchers are trying to repair the immune system of a 4-year-old girl, seems to be working, scientists have told the Food and Drug Administration.

After three months of treatment, the girl's immune system has become virtually normal for the first time in her life, said Dr. R. Michael Blaese of the National Cancer Institute. And, so far, there have been no harmful side effects from the treatment.

"These are just the first preliminary results," said Dr. W. French Anderson, a leader in gene therapy research at the National Heart, Lung and Blood Institute. "But we are certainly excited about them."

The child's disorder is rare. But human gene therapy, in which new genes are inserted into the cells of human patients to perform functions of which the patient's genes are incapable, is expected one day to be an important treatment for illnesses such as heart disease, cancer and AIDS.

The girl, whose family has not permitted the making public of her name, will continue receiving infusions of genetically altered cells for

three more months. Then researchers will conduct a comprehensive evaluation of her immune system, comparing it with her defenses before the experiment began.

The child was born with a gene that prevented her body from making an enzyme known as ADA. Without the enzyme, a toxin built up in her blood. This toxin killed a type of white blood cell known as a T cell, which plays a central role in orchestrating the body's defenses against infections. The T cell is the one destroyed in AIDS.

To correct the deficiency, the National Institutes of Health team removed some of her white blood cells and grew more of them in the laboratory. They then exposed the cells to a virus that had been altered to carry a normal copy of her defective gene.

When the virus infected her blood cells, it spliced this normal gene into them, thereby giving them the ability to make the enzyme that she had lacked. Armed with that enzyme, her body was able to get rid of the toxin. And with the toxin eliminated, the researchers expected her immune system cells to grow normally.

So far, that seems to be happening. Preliminary evidence suggests that the gene-treated cells are producing the missing enzyme in her

body. Kenneth W. Culver, a National Cancer Institute researcher and member of the gene therapy team, has isolated white blood cells from her body that produce normal amounts of ADA.

It also appears that the new supply of ADA is stimulating the girl's untreated white blood cells to grow more normally, since the number of such normal cells has risen higher than the number that were injected.

This part of the experiment is difficult to evaluate, however, because the girl continues to receive injections of a synthetic form of ADA that she had been getting before the experiment began.

Whether the gene therapy treatment will restore the girl's immune system has yet to be proved, but there are hints that she is able to fight off bacteria and viruses as they enter her body.

Dr. Blaese said the girl had had only one cold since treatment started. Her parents are excited about this, he added, because her weakened immune system had left her prey to every passing virus; she had been constantly ill.

"But," Dr. Blaese warned, "there is no way to know that this is because the treatment is working. It is encouraging. Everything is very encouraging."

In San Francisco, Demise of Chinatown

By Katherine Bishop

New York Times Service

SAN FRANCISCO — Here on the streets where tens of thousands of Chinese immigrants gained a first foothold in America, their descendants are faced with a wrenching and divisive prospect: the demise of Chinatown.

Until now, Chinatown has simultaneously been a poor ghetto of elderly and newly arrived immigrants, a center of the garment industry, a tourist capital in a city whose main industry is tourism, and the economic, social and religious heart for the estimated 200,000 San Franciscans of Chinese descent.

The most densely populated area of the United States outside Manhattan, it is a borough throughout the Pacific Rim as a landmark in Asian history, having served as a haven from racist persecution and a base where Sun Yat-sen plotted the overthrow of the Manchurian Dynasty.

But along the main tourist thoroughfare, Grant Avenue, stores selling Chinese products from fine jade to cheap curios have given way to camera and video equipment shops.

Boarded-up storefronts alternate with stores selling the same inexpensive T-shirts sold all over town. There are outlets of hamburger and cookie chain stores and even two shops selling Wild West gear.

The question is, is Chinatown going to remain a unique area with a special history, food and other attractions, said Judge Harry W. Low of the California State Court of Appeal and national president of the Chinese American Citizens Alliance, "or just another place full of cameras and T-shirt shops?"

Judge Low's question is particularly pertinent now. In 1991, 300 buildings housing 700 small businesses and thousands of low-cost apartments face state deadlines requiring the installation of special earthquake bracing.

The work, intended to anchor floors to walls and prevent roofs from collapsing, will require dislocations and some temporary closures that could force many people out of Chinatown permanently. What will replace them is unknown.

The debate is so full of confusion and dissension, and even some community stalwarts are expressing doubts about whether the nation's first Chinatown can be saved as both a vital Asian community and a lucrative tourist attraction.

"I break out in a cold sweat every time I think about it," said Rose Pak, a consultant with the Chinese Chamber of Commerce and a longtime advocate for Chinatown. "We are at a crossroads. I've never been so concerned and apprehensive. I'm thinking for the first time, maybe it's time to move on."

Change is coming from many directions. From skyrocketing rents that drive out small family businesses to an exodus of middle-class Chinese to the suburbs.

But the most obvious blow to the area's economic health was last year's earthquake. Not only did it damage a few buildings beyond repair and necessitate expensive changes in others; it also closed a community lifeline: the Embarcadero Freeway, which brought streams of shoppers from the suburbs every day.

The freeway remains closed, and intense disagreement over its future has driven a deep wedge into the community.

"We had a big fight," said May Louise, an owner of several import shops and president of the new Chinatown Merchants Association, which formed in a protest against the Chinese Chamber of Commerce.

The break came when the chamber stopped backing immediate repair of the freeway, considered by many Chinatown merchants vital to economic survival, and instead agreed to support the mayor's long-

term plan to tear it down and create a surface roadway. "I call them all wimps," Mrs. Louise said.

Others argue that the 20 percent downturn in business that was caused by the earthquake merely revealed a set of deeper, more complex problems that the community had been avoiding.

"It's a superficially simple question to ask whether fixing the freeway is the solution," said James Ho, a Chinatown restaurateur who is San Francisco's deputy mayor for economic development. "The earthquake simply brought a lot of changes to the surface."

Mr. Ho cited "unconscious" problems driving out small family businesses, immigration bringing poor Chinese from rural mainland China who are without business skills, garbage and crime as some of Chinatown's problems.

Equally important, he said, has been the flight of the middle class to the suburbs and to San Francisco's Richmond district, known in recent years as "New Chinatown."

A further strain on Chinatown's economy is that new, high-quality Chinese restaurants popular with tourists and suburbanites have opened outside Chinatown, where floor space and parking are abundant. Their owners not only enjoy lower rents but also avoid Chinatown's garbage and traffic problems.

"Caucasians have become more sophisticated about Chinese food," said Henry Chan, president of Yank Sing Co., which operates a popular restaurant in the city's financial district. "They demand high quality and cleanliness. We really need to clean up Chinatown."

The girl, whose family has not permitted the making public of her name, will continue receiving infusions of genetically altered cells for

Family Trouble: Indictments Hurt N.Y. Mafia

By Selwyn Raab

New York Times Service

NEW YORK — John Gotti is in jail without bail. Vincent Gigante is awaiting a decision to see if he is mentally fit to stand trial. And Vito Amuso is in hiding, facing a possible 100-year sentence if captured.

Law-enforcement authorities say that these men are the bosses of three Mafia families and that their legal plights reflect the disorder that has stricken New York's five traditional organized-crime groups.

The authorities say they believe that the federal racketeering indictment of Mr. Gotti last week and the earlier indictments of Mr. Gigante and Mr. Amuso have created leadership problems in their organizations. Struggles for control may erupt within the families and between rival families, FBI officials say.

The FBI has identified Mr. Gotti as the boss of the Gambino family. Mr. Gigante as the boss of the Genovese family and Mr. Amuso as the boss of the Lucchese family.

Organized-crime experts describe the Gambino and Genovese groups as the nation's largest and wealthiest Mafia factions, with each believed to be reaping more than \$100 million a year in illegal profits from gambling, loan-sharking, narcotics trafficking and racketeering in the construction and waste-hauling industries.

From information gathered from informers, undercover investigations and electronic eavesdropping, the FBI says the Gambino family has 400 to 500 "made" soldiers, or inducted members.

It is also believed to have about 3,000 "associates," who work or cooperate in the family's illegal enterprises.

James M. Fox, who is in charge of the FBI's New York office, placed the Gambino family's wealth in cash and property at \$500 million to \$1 billion.

The Genovese family, the FBI said, has 300 to 400 soldiers and about 2,000 associates, and its

wealth rivals that of the Gambino family.

William J. Dornan, the FBI agent who directs the bureau's criminal division in New York, said the sudden leadership vacuum could ignite clashes between members of the Genovese and Gambino families over control of rackets in New York and New Jersey.

The imprisonment and flight of

top Lucchese members in recent years has cut its ranks from 150 members to fewer than 100 and left it as the weakest of five families, Dornan said.

Authorities say the two other Mafia families in the New York area, the Bonanno and Colombo groups, have also been hurt by convictions, with each family down to about 100 members.

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For Trade Compromise

The Uruguay Round of international trade negotiations collapsed on Dec. 7 in Brussels when the European Community refused to cut back its protectionist food policy. Denied access to European markets, negotiators from Third World food-exporting countries were left with no option other than to pack their bags.

The fallout from Brussels could turn ugly, and fast. Without rules to govern trade in agriculture, services and investment, countries will be free to accuse each other of unfair trade practices, and to unilaterally impose sanctions. Sanctions, in turn, invite retaliation.

The threat of escalating trade wars is no mere speculation. Within days of the suspended talks in Brussels, the United States and several of its trading partners began rattling sabers. The United States is reportedly preparing to raise duties on European exports of food and beverages by 200 percent—in part to retaliate against a European ban on pork and beef imports from the United States. The administration is also drawing up plans to retaliate against countries deemed to discriminate against U.S. companies selling financial services; Japan, South Korea and Brazil are the likely targets.

And without international trade rules for intellectual property, Washington will be pressured to impose sanctions on countries like Thailand that tolerate massive piracy of copyrighted and patented materials.

The United States will not be the only country to engage in unilateral sanctions.

That is why international rules are important, and why the trade talks must be salvaged. All sides must give, but the Europeans must give the most. The European Community could break the logjam by agreeing to phase out export subsidies. These allow European farmers to dump surplus food at subsidized prices on international markets, devastating Third World farmers. The EC could insulate the rest of the world from its internal food policies in another important way: by helping its farmers with direct income payments rather than with production subsidies.

For their part, the United States and other food exporting countries could back off from demands that would require the Europeans to cut food supports by 75 percent or more. EC agriculture policy is deeply ingrained, politically and economically. It needs to be phased down over time, not dismantled all at once. The White House could also emphasize to the Europeans that it, too, is prepared to take a political beating by pushing through Congress a trade agreement that would undo an elaborate U.S. system of quotas on peanuts, sugar and textiles.

In Brussels, the Community—at the insistence of President François Mitterrand of France and Chancellor Helmut Kohl of Germany—made an understandable but hardly noble political decision to protect its own farmers rather than protect world trade. If world trade is to flourish, the Community will have to find ways to do both.

—THE NEW YORK TIMES

Continue Nuclear Tests

Sentiment to extend the 27-year-old partial nuclear test ban treaty to universal grounds is growing, notably in the Soviet Union but also in the United States. A conference has been called at the United Nations in January to press the case for a comprehensive test ban. Two fresh arguments for a CTB circulate: that the Cold War is over, and that the new nuclear arms control priority of nonproliferation will flourish if testers keep flaunting their bombs.

The reduction in East-West tensions certainly requires a well structured reduction and reshaping of arsenals. Still, America remains a nuclear power—one with global interests and commitments. For some indefinite period it has reason to have bombs: to provide, at much lower levels, insurance, deterrence, and, as now in the Gulf, a nuclear umbrella for its foreign policy. As long as the United States remains a nuclear power, it must have the safest and most efficient ones, it must be confident that they work, and it must make sure that deterrence remains credible. These are the purposes served by testing. Americans need not apologize for it.

But, the second objection goes, testing whets the nuclear appetites of others and diminishes their capacity to deny them their own bombs. These assertions cannot be

dismissed summarily, but against them must be set other weighty considerations. One is the role of America as a stabilizing world force. Another is the fact that the countries beyond the first five that have gone down the nuclear path—think of India and Pakistan, Israel and Iraq—did so not out of simple nuclear envy but out of powerful political passion. They could have been stopped if at all only by strong security arrangements addressing their driving passions.

By negotiation, Americans and Soviets have now closed loopholes in the underground test ban and eliminated medium-range missiles, and they are nearing deep cuts in strategic arms. By separate economic and political retrenchment, they are otherwise moving to meet their treaty obligations to reduce the nuclear peril. Some non-nuclear countries and advocates suggest that the nuclear nonproliferation treaty should be allowed to expire (in 1995) as a form of pressure on Washington and Moscow to accept a comprehensive test ban. That is cutting off your nose to spite your face. Perhaps there will come a time when some nuclear powers drop off the list. Meanwhile, the focus must be on keeping others from getting on.

—THE WASHINGTON POST

Pieces of Energy Policy

Energy policy is always extraordinarily difficult for America, with its tradition of cheap fuel at odds with its rising sensitivity to the environment. The Reagan administration never thought it needed a policy, since it had the very good luck to govern in a time of falling oil prices. Its successors, warier and more prudent, have been working for some time toward a more forceful position. A list of options on energy is to go to President George Bush this week for final decisions.

The basic choices are between conservation and supply—between using energy more efficiently, and finding more of it. The country will need a combination of the two, but there are not many subjects more heavily freighted with ideology or more densely surrounded by lobbyists pushing to the extremes. The most important and useful way to hold down oil imports, for example, continues to be a stiff tax on gasoline. But that comes under fierce attack from both the anti-tax right and the regulatory left.

In the discussions at the White House, there has been the usual talk of leaving energy to the free market. But the markets in energy, more than most, are heavily influenced by government policy, intentionally or otherwise. Most of the world's oil is produced by government-owned companies, and in the United States it is burned under

conditions set by the environmental laws. The purpose of an energy policy is to impose some degree of harmony on these various purposes and to avoid unpleasant surprises.

The large American army encamped in the Saudi desert gives a special point to President Bush's deliberations on energy. Dispatching troops was the right response to Iraq's aggression, but perhaps more is required. A reduction in the industrial countries' demand for imported oil will make it harder to threaten the supply. It is important to back up the military operations in the Gulf by holding down oil consumption at home in the United States.

This emerging energy policy has to serve a country whose economy has once again been rocked by sudden increases in oil prices but whose willingness to pay for a cleaner environment has just been demonstrated in the passage of the Clean Air Act. Those two events can usefully serve to give the president and his advisers a sense of direction. The country has learned a lot about energy policy from the series of oil crises that began 17 years ago. Mr. Bush now needs to put that painful experience to work on a program that can work simultaneously to protect the atmosphere, the economy and the national security.

—THE WASHINGTON POST

Other Comment

Helping Gorbachev to Juggle

The U.S.S.R. is on a path of reform, but the opposition assembled against Mikhail Gorbachev is formidable. Simultaneously, he must persuade the republics not to press their demand for separation from the union; pursue the Shatalin plan—to turn an inefficient command economy into a market-oriented one—to its logical conclusion even though it will take much longer than expected to yield results; and push ahead with democratic reforms even at the expense of delays in the entire perestroika process. Anything short of this will result in a reversal of the reform process and a return to the familiar ways of the past. Mr. Gorbachev needs the free world's aid and support to ensure that this will not happen.

—W. F. Deedes, commenting in *The Daily Telegraph* (London).

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GATT Talks: Drop the Cant and Negotiate Seriously

By Jodie T. Allen

WASHINGTON—Imagine that, at the height of the Cold War, the United States had gone to the arms control bargaining table with the Soviets after first declaring, in hyperbolic terms, that America's future security and prosperity depended almost entirely on the outcome. Imagine further that, having climbed out on this negotiating limb, the president then turned over details of the agreement to an army of bureaucrats who impatiently looked forward to the day when they could move into lucrative careers representing the nuclear arms industry. What kind of a deal we would have gotten?

Probably something akin to the treatment the United States has received in the latest round of global trade talks—the long-winded effort to open up world markets under the auspices of GATT, the General Agreement on Tariffs and Trade. Those talks, of course, have sputtered to a near halt, the reported cause being the European Community's refusal to take seriously the core U.S. demand that it quit sheltering its farmers and exorbitantly subsidizing their exports.

That is the proximate cause. But the ultimate cause of the GATT grinding is that the major players do not take the trade talks very seriously.

U.S. presidents, long accustomed to taking the country's economic power for granted, find far more prestige in wheeling and dealing over weapons and borders. European and Asian leaders find far more advantage in quietly pursuing economic interests with an eye out for any trade concessions they might pick up on the cheap from overeager Americans.

Not does the United States gain respect for its positions when they are advanced by senior trade officials half of whom, as a new study from the Center for Public Integrity documents, have left office to lobby on behalf of foreign interests—and brag about it.

"I don't do windows," said Robert Strauss, the former U.S. trade representative, in describing the millions he garnered in representing both sides in the takeover of Hollywood's MCA Inc. by Matsushita of Japan.

American vulnerability is further enhanced by the typical U.S. trade expert's fear of being charged with even the slightest dereliction in commitment to open trade. This sensitivity is not shared by Amer-

ica's more sophisticated trade partners. So Vice President Dan Quayle went hat in hand last month to beg the Japanese to allow a mere 5 percent of their rice consumption to be provided by foreign suppliers—not right away, but 10 years from now. And the Japanese, who make no bones about not giving anything unless they have to, told him, politely but firmly, to get lost.

Americans also go to bargain imbued with faith in the efficacy of rules and regulations and armed with the rosate numbers their economic models spew forth. For example, the Economic Strategy Institute recently pointed out, the Bush administration predicted that a successful conclusion to the current round of trade agreements would increase U.S. domestic output by the rather improbable sum of \$125 billion within the first year. (In 1979, the U.S. special trade representative's office estimated that the last round of trade talks would yield benefits to U.S. consumers 15 times as large as those that later analysis shows were realized.)

The ESI fellow Robert W. Jerome points to the peculiar choice of the two priorities—extension of GATT coverage to farm products and to services—that Washington insisted on

for the current talks. U.S. exports in both areas have grown handsomely in recent years outside the GATT trade regime, although further restrictions, as Europe moves toward economic unity, could impede that progress.

But farm products are not a substantial part of the current U.S. export mix (about 9 percent) nor are they likely to become so. Other countries set too much store by their farmland to opt for open agricultural markets. And while the United States might gain, by optimistic government estimate, at most \$3 billion in farm exports from the GATT talks, it may soon find itself facing new limits imposed by the Europeans on what is now a very profitable animal-feed market.

As for services, many, by their nature, tend to be produced where they are consumed. In any case, said Mr. Jerome, U.S. negotiators entered the talks with no clear idea of what their objectives were on services.

Meanwhile, the manufacturing sector gets short shrift on the administration's trade agenda. Never mind that manufacturing produced the lion's share of U.S. productivity gains over the last decade or that it still accounts for two-thirds (\$520 billion) of American exports—swamped though they may be by the \$453 billion in manufacturing imports. And forget that research and innovation tend to flourish best when they are informed by the experience of actual production.

None of America's more prosperous trading partners will force manufacturing onto the agenda—except to take aim at the relatively mild efforts the country makes to protect its industry. Nor are they likely to feel pressured by U.S. moves to establish "free trade zones" with Latin America, as long as these promise to provide cheap platforms for exporting more of their own goods into the U.S. market.

Even American theoretical arguments sound too simple. Economists say their models demonstrate that world GNP would grow faster with open markets. True. But, as careful readers of Adam Smith will note, a faster-growing world economy does not guarantee that any one country will have a larger share in that growth, or even maintain its current share. (A study done for the Twentieth Century Fund estimates that eliminating nontariff barriers would add \$35 billion to the U.S. trade deficit.)

The fact is that the fastest growing economies in recent years have added to their policy mix, along with important social factors, such as high savings rates, investment in education and low population growth—a dose of old-fashioned mercantilism.

Maybe America is waking up. There has not been much hand-wringing over the GATT impasse. And the dollar has quietly been allowed to drop on foreign exchanges, a potent way to price imports out of U.S. markets.

In any case, the United States should continue to support trade liberalization—both in its own interests and in those of the Third World. But it will make its case more effectively by keeping those interests clearly in mind—and skipping the ideological cant.

The Washington Post

Kohlerrand Looms? Bring On the New World

By William Safire

LONDON—France and Germany have decided that the best way to create a regional European superpower is to launch an undeclared trade war on the United States. That puts in plain, stark and understandable terms the meaning of a GATT-gilt that glazes the eyes when called "the collapse of the Uruguay Round of the General Agreement on Tariffs and Trade."

Here is how the war broke out. At the July economic summit meeting in Houston, François Mitterrand of France and Helmut Kohl of Germany assured President George Bush that the talks to ease restrictions on world trade, which had been going on for four years, would succeed. That meant a phase-out of the protection of French (and other European) farmers that raised food prices and walled off U.S. exports.

Ever the good schoolboy in dealing with supposed allies, Mr. Bush embraced German reunification and spoke glowingly of the new Europe as a trading partner. But France's farm lobby leaped on Mr. Mitterrand, who promptly caved; Mr. Kohl, his own election secure, put proximity over principle and rallied to the French side against the Americans. When the U.S. trade negotiator, Carla Hills,

refused to sell out America's interests to the Europrotectionists, the free trade talks fell apart.

This break coincided, not by coincidence, with the ouster of the former economic holdout against a political-economic Fortress Europe—Margaret Thatcher of Britain. The Iron Lady's fierce stand against a common European currency, with her country's economic fate to be determined by German bankers, led to the resignation of her finance minister and the revolt of the Conservative "wets."

Why did this Thatcher-Tory mugging delight Messrs. Kohl and Mitterrand? Because "Europe" is Germany and France—"Kohlerrand"—followed by nine other guys, and by the English-speaking islands across the Channel that form a bridge to America. To the extent this French-German alliance needs a bridge across the Atlantic, Britain is that bridge.

The new British prime minister, John Major, 47, presents himself as Thatcherism with a human face. At the latest Kohlerrand conference in Rome, the new P.M. acted like Mr. Bush's opposite: Rensselaire—mostly hanging tough in a kinder, gentler way. Mr. Major proposed a voluntary common Euro-

pean currency first, essentially living together before marriage, which Kohlerrand will consider.

But on the new man's way out, France's European superpower, Jacques Delors, hit him in the back of the neck with a brick, warning, "If we need to provoke a political crisis, we will do so." The arrogance was galling: Any of this British sovereignty stuff, and we will get you thrown out as we did Mrs. Thatcher.

This week Mr. Major travels to Washington to meet Mr. Bush. He will gain deeply admiring headlines by being the firm ally in the Gulf (even Britain's Labor Party, mindful of the political disaster that followed its soporific on the Falklands, has turned hawkish). But out of sound-bite range, the engaging Briton will do his bridge duty for Euro-Entente, persuading the Americans to save GATT by offering help to subsidize French farmers.

Mr. Bush is expected to accommodate Mrs. Hills, and to dispatch a cabinet deal-cutter to "save GATT" before a March 1 deadline brings on the dreaded U.S. congressional oversight. The American president is too preoccupied with his eyeball-to-eyeball confrontation with Saddam Hussein and his mouth-to-mouth resuscitation of Mikhail Gorbachev at a Moscow summit meeting to entertain a trade war at this time.

But we have been brought to that brink by the Kohlerrand regional isolationism. The cement that has held Europe together for a generation has been fear of Soviet expansionism; the cement binding it now is envy of a prosperous America and Japan.

Not every war is hell; Americans need not respond to Europe's short-sighted economic regionalism by warring their hands and predicting dire consequences in a world given over to tariff-mongering.

Instead, realistic Americans should counterbalance Europe's penchant for protection by promoting free trade and food production within the Western Hemisphere, and by offering the incipient third grouping, the Asians, the choice of open intercourse or risky retaliation.

Europe's threatened goodbye to GATT need not mean a farewell to free trade. We can make it mean that the new world marketing order will find an efficient competitor in what used to be called the New World.

The New York Times

Israel, Risking Isolation, Needs a Palestinian Settlement Now

By William Pfaff

PARIS—The confidence that Yitzhak Shamir expressed after meeting George Bush last week was a while in the dark. Things could scarcely be worse for Israel. They are worse, perhaps, than even Mr. Shamir understands.

First is the threat from Saddam Hussein, which the Israeli prime

yet confronted. Will he survive? If he plays his cards right, yes.

Thus the pressure on Israel's government to preempt the outcome of this crisis by precipitating a war is very considerable. If the United States does not attack, Israel must contemplate a disarming strike against Iraq's advanced weaponry installations. As those now are dispersed, fortified and defended, such a strike might not be decisive. It could leave Israel worse off than before, in a war, by itself, against Iraq.

However, another possibility exists, more radical than war, and even more difficult for Israel's political class to accept. It is for Israel to preempt settlement with the Palestinians, moving to isolate Saddam and exploit the present divisions in the Arab camp. This would take advantage of the current weakness of the Palestinians and make the most of the Soviet Union's new willingness to play a constructive Middle East role.

The U.S. government would rejoice, and do everything in its power to make such an initiative succeed. So would the European democracies. Guarantees of a settlement and of Israel's post-settlement security would follow. A settlement that worked would itself be the best guarantee that Israel has ever had of its security.

Israel otherwise is on the road to isolation. But if it were preemptively to make serious proposals to the Palestinians (involving, to the PLO as well), and negotiate seriously, it could dominate the situation that followed and call the United States and the Europeans to its support. What Israel requires is a political audacity in peace comparable to that military audacity it always has shown in war.

There will never be a better opportunity. The Palestinian issue has to be settled. Every Israeli realist recognizes that. Israel cannot go on like this. Immigration from the Soviet Union is an asset for Israel but not a solution to its fundamental problem. The inflating is controllable at present levels of violence—but at corrosive costs to the morale and political

well-being of Israeli society. This is acknowledged in the talk, already common, of sealing off the occupied territories, or expelling Palestinians from Israel—even expelling them from the occupied zones, as some Israelis are demanding.

To do that would solve the problem of domestic insecurity by creating two new problems, the sacrifice of Israel's reputation as a society of respect for human rights, and the creation of a second immense wave of Palestinian refugees—devoted to the destruction of the Jewish state.

Expelling the Palestinians is a terrible idea. But what are the good ideas? They exist, but Israel suffers political paralysis. Real and legitimate divisions of public opinion combine with a politically pernicious electoral system of extreme proportional representation to produce governments which, whether headed by Likud or by Labor, have proved incapable of decisive action to liberate the country from its Palestinian dilemma.

And time is running out. This is something that neither Mr. Shamir nor the mass of the Israeli electorate

may fully appreciate. The relationship of Israel to the United States has seemed very solid but it is in fact fragile. If the Gulf confrontation ends in a victory for the United States, the "moderate" Arab governments allied with the United States will be America's new friends in the Middle East and they will demand a Palestinian settlement as reward. But if the affair ends badly for the United States, Israel risks being blamed, either because Saddam Hussein will have succeeded in turning the crisis into an Arab-Israeli conflict and dividing the UN coalition, or because Israel will have intervened to the same result, or simply because Israel's coalition with the Palestinians has since 1948 been at the source of the Arab's confrontation with America and the West in general.

The Shamir government's intransigence, and the brutality of its policies in the occupied territories (now including snipers, to shoot Palestinian stone-throwers), has already alienated the Bush administration. Mr. Bush's conversation with Mr. Shamir last week was the first time he has consented to talk with the Israeli leader, even by telephone, since last February.

Congress also is furious because the Israeli government asks loan guarantees to settle Russian immigrants but arrogantly refuses to accept, as more than pro forma, congressional demands that these funds not finance settlements, contrary to international law, in East Jerusalem and the occupied territories.

Until now it has been politically unprofitable and even dangerous for an American government, or a legislator in Washington, to criticize Israel's policies. The glacier of American opinion moves slowly, and glacial movement, however, culminates in rivers and torrents. It is now possible to imagine the arrival of a day when opposing aid to Israel wins votes in American elections, rather than losing them. That is why Israel today is at a point of maximum opportunity, and maximum danger.

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100, 75 AND 50 YEARS AGO

1890: Christmas Gloom

PARIS—The original conception of the Christmas card was not an absolutely imbecile one, and it is therefore strange that as a rule the Christmas card, as it is now furnished to us, should be so utterly insane. No one seems able to devise anything in the least degree new. Christmas cards are either semi-humorous, in which case they are idiotic; or they are pious and depressing. Surely somebody ought to be able to invent a Christmas card the reception of which would not cast a gloom over the household.

1915: Russian Advances

TEHERAN—The Russian troops, after striking at the principal forces of the insurgent gendarmes, pursued their energetic advance, enveloping the region neighboring on Hamadan. The head of the Caucasus Army has informed the Russian Legation of the occupation of Hamadan by the Russian troops. They are also advancing

on Kun, which is a centre of agitation against Russia and Great Britain. According to information received, the British and Russian Consuls have left Kerman, going toward Bender-Abbas.

1940: Woman Spy to Die

LONDON—The forty-two-year-old wife of one of London's fire-fighting heroes stood up stolidly in court at Winchester, Hampshire, today (Dec. 16) and heard the judge sentence her to death as a spy. Mrs. Dorothy Pamela O'Grady, of Sandown, Isle of Wight, is the first woman spy to be condemned to death in Great Britain in this war. She was found guilty on seven counts after a secret hearing from which the public and press were barred. The short, dark, insignificant-looking woman is said to have cut a military telephone wire, collected important defense documents and planned to help the enemy.

—From the New York edition of the New York Herald Tribune.

سكاي ان الامل

OPINION

Person of the Millennium:
The Five Finalists Are ...

By George F. Will

WASHINGTON — With the big date fast approaching, let us limber up our mental muscles and think millennially.

Time magazine soon will announce its "person of the year," surely either the cartoon character Bart Simpson or Saddam Hussein. The tone of life this year was set by underachieving at home and overreaching abroad. And Time reports receiving nominees for person of the century, and of the millennium. Let's choose for Time.

Surely, this century belongs to Einstein or Churchill. Einstein altered how we think about the most basic things — space, time, matter, energy — and how we think about, and even how we see, ... no, not Bart Simpson or Saddam Hussein.

everything. Nothing — not politics, not art, not literature — has been unaltered. Churchill understood the two great, related, social inventions of this century, total war and totalitarianism. Because of his understanding, and courage, free nations survived both.

Now, who is the most important person of the millennium? It is salutary and oddly bracing to realize how thoroughly time enforces a leveling perspective. How few are the persons whose deeds will be spoken of, or whose words will be read, even a century or two hence. There are remarkably few really tall silhouettes against the time horizon of ten centuries.

The two great, related, developments of this millennium are the nation-state, and political freedom, which involves limiting the state. Therefore, the five finalists for Person of the Millennium are: Machiavelli, Luther, Washington, Jefferson, Lincoln.

Machiavelli disturbed the Western mind as an early, vivid example of modern masterless man, obedient to no god and only to the rules he wrote. But, as has been said, Machiavelli is no more "the father of power politics" than William Harvey was "the father of the circulation of the blood."

With astonishing matter-of-factness, he said that vice is needed in politics if virtue is to stand a chance. And the purpose of politics is not to make men virtuous, but to make the state safe. In him was the embryo of modern politics, the individualism of self-interested strivers: Every man a prince.

Four years after "The Prince" was written, Luther nailed 95 theses to the church door. The Reformation was both cause and effect of nascent nationalism. And the Reformation's central idea was the grain of sand around which formed, in time, a political pearl. The central idea was the primacy of private judgment — a consideration of private judgment — a consideration of private judgment — a consideration of private judgment.

"Here I stand," said Luther. "I cannot

do otherwise." He had little interest in political freedom, but the fire he lit led to political dynamite: the importance of consent. There is a direct road from the church in Wittenberg to Independence Hall in Philadelphia and Jefferson's formulation: Governments derive their just powers from the consent of the governed.

Machiavelli and Luther were merely parts of the prologue of modernity. Each was a hammer that helped shatter suffocating systems of thought and governance. But those systems were doomed; there would have been other hammers.

However, America is the most important thing that ever happened, both because of the vision of good it has presented and the evils it has prevented. America need not have happened, or lasted.

The arguments for Washington or Lincoln as Person of the Millennium are that each was indispensable. Subtract Jefferson from America and American independence would still have been achieved, if less ringingly. But subtract Washington the soldier, and the Revolution might have been extinguished. Subtract Washington the politician, and the transition to the Constitution might not have happened. Disintegration might have occurred.

Washington not only wielded power well, he provided the enduring example of available power not wielded, a refusal to achieve unwholesome eminence.

Lincoln, by winning, as only he could have done, the Civil War, prevented the proliferation of petty, unlovely little nations in what is now the United States. He prevented the victory of, among other bad things, the idea of secession. That idea would have caused the disintegration of even the Confederacy, and perhaps what remained of the Union, too.

Lincoln was the last founder, completing the founding by forcing the issue: America could be defined by its dedication to a proposition. Whose? Jefferson's. Speaking in Independence Hall in 1861, Lincoln said: "I have never had a feeling politically that did not spring from the sentiments embodied in the Declaration of Independence."

The argument for Jefferson is that history is the history of the human mind, of ideas. Jefferson was, preeminently, the mind of the Revolution that succeeded. It resulted in the birth of the first modern nation, the nation that in the 20th century saved the world from tyranny.

Jefferson expressed the American idea: political and social pluralism; government of limited, delegated and enumerated powers; the fecundity of freedom. He expressed it not only in stirring cadences, but also in the way he lived, as statesman, scientist, architect, educator.

Jeffersonianism is what free men believe. Jefferson is what a free person looks like — confident, serene, rational, disciplined, temperate, tolerant, curious. In fine, Thomas Jefferson is the Person of the Millennium.

Washington Post Writers Group.



We Could String Our Own Cranberries

By Anna Quindlen

NEW YORK — All year long the city seems decorated for Christmas, the white lights draped profusely around its towers, the brake lights of the cars in rush-hour traffic looking like cranberries strung for the tree, making their way in loose patterns up and down the exit ramps of the highways.

Elsewhere the holidays transform drab Main Streets into Bavarian villages, but in New York the effect is a little like a woman already wearing a bracelet and earrings who decides to add a brooch.

The lighted tree towering above the skaters at Rockefeller Center. The windows of the department stores, where people stand instead of dashing by. And at the florists, the obligatory scarlet amaryllis, forced from a bulb just in time for an end table in December, the poem of the smart set.

Twelve months a year New York is a city of contrasts, but never more so than now. Little girls in their best velvet and Mary James walk to the ballet past men sleeping beneath their coats.

At a store near City Hall, a teenage girl counts her cash carefully, shopping for a leather jacket for her boyfriend. She knows exactly what she wants: a

man for the jacket he was wearing the night he was mugged. "They took it right off of him," she says, looking through the rack. "He loved that jacket."

It has been that kind of year. Someone said not long ago, "The '90s will be the '80s without money." It's a wonderful wisecrack, but it's not true. The '90s are the '80s with chronic fatigue syndrome.

There is this essential malaise that everyone is trying to identify, analyze and

MEANWHILE

dispel, a flu of the spirit. The great contrasts in New York this year are not only between rich and poor but between what the city is and what it has been.

It tells my age that I remember waiting for after-Christmas sales; now the sales are during, before, anytime to get the registers ringing. Corporations are scaling back Christmas parties, or dropping them altogether. Christmas parties! That staple of movie comedies, that legendary location of so many ill-advised marriages of alcohol and lust.

What is the point? None of this. We lost the point the day we decided that you should be able to phone an 800 number and order cranberries already strung for the tree. Because the point was the stringing, wasn't it?

We lost the point when we decided you should be able to order a tree from a catalog, to be delivered already decorated. Because decorating the thing is surely the point.

The point is that this is a holiday that has somehow managed to endure through times much worse than these, and that is because it has always stood for not what we are, or what we were, but what we wish we could be.

That is what we are chasing when we run ourselves ragged with parties and presents. It is a time for happy families even among families that are not particularly happy; a time for friendship even with friends with whom we often feud.

Every story that survives from generation to generation about this time is about a small thing transformed: a nutcracker, a boy with a crutch, a bright-eyed old angel trying to earn his wings. A manger.

"They were not a handsome family," Charles Dickens wrote of the Cratchits in "A Christmas Carol." "They were not well dressed; their shoes were far from being waterproof; their clothes were scanty; and Peter might have known, and very likely did, the inside of a pawnbroker's. But they were happy, grateful, pleased with one another, and contented with their lot."

We are not contented with the time. The stores are not crowded. Of course, we can contrast that with the holidays in the Soviet Union, where people are hoarding it home with cabbage to board. We can contrast it, too, with a time just past when we bought, not what we wanted or needed, but anything we could lay our hands on. Now, like Peter, we have seen the pawnbroker. Santa Claus is coming to town with his bag half full. What will we tell the kids?

Let them string cranberries. People say we are going to have to learn to do more with less in the near future, and I believe it. But this is the time of year when less was more all along. We just forgot it.

The eternal virtues, friendship and family and faith, are cheap and filling. You will not find them on your Amex full next month like a bad hangover.

New York will still be covered with tinsel every night of its life. But it is nice to know that if the lights went out, it could still be Christmas, inside our houses and apartments and ourselves, where Christmas has always belonged.

The New York Times.

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LETTERS TO THE EDITOR

Short German Memory

Regarding the report "Iraqi Move on Germans Puts Bonn in a Corner and Weakens Alliance" (HT, Nov. 22):

Referring to Iraq's release of German hostages, the article quotes a Foreign Ministry source as saying that this act "inevitably would reduce the already minimal popular concern among Germans about the Gulf crisis."

If Britons and Americans in 1948 and 1949 had shown the same lack of concern about the Berlin Blockade, the world of today's Germans would have been an unhappy one.

When the French got their hostages back, President François Mitterrand did not deviate from what he called France's

devoir, its duty to enforce international law. The French remember what it was like to be the victims of aggression.

Germany's weak and grudging assistance to the anti-Iraqi coalition makes one wonder why history's greatest aggressor is so reluctant to oppose the aggression of Saddam Hussein.

E. ERNEST GOLDSTEIN, Villars-sur-Ollon, Switzerland.

A Caution to the Kingdom

Regarding the report "On Horizon: A Saudi-Iraq Dialogue" (Dec. 11):

A senior Jordanian official quoted in this article seems to imply that while the Saudis would "never be forgiven for shedding so much Arab blood" if war

were to break out, Saddam Hussein should be forgiven for murdering hundreds of Kuwaitis. A word of caution: Unless Jordan quickly reverses course, it may one day find itself the 20th province of Iraq, and King Hussein may not be as lucky as the Emir of Kuwait.

IBRAHIM ALADWANI, Stuttgart.

And if Peace Broke Out?

To agree now that when relevant UN resolutions have been implemented there will be renewed and sincere efforts to resolve a number of the most contentious issues affecting the stability of the Middle East is not to be in favor of appeasement, but in favor of common sense and a desire to prevent a recurrence of strife. Unhappily, there are some who seem almost distressed that a war could be averted and an opportunity thereby lost to smash the Iraqi government. An example of this came in an article in your Dec. 4 issue ("In Israel, a Peace Problem," by Joel Brinkley), which began: "Abandoning political caution, two of Israel's most influential government leaders warned of the deep worry that they and most other Israelis share that the United States might find a peaceful solution to the Gulf crisis."

FREDERIC BENNETT, London.

Class Is as Class Does

Regarding an item in the European Topics column (Nov. 29):

If I were Gerald Cavendish Grove-

nor, the duke of Westminster, I would take exception to this characterization of him as an "unlikely" champion of the working class.

Contemporary history has clearly documented the considerable political and monetary aid given to the working class by members of the British aristocracy since the 1850s, up to and including the horrific "one man, one vote" disaster we are saddled with today. Without exact knowledge of the contribution of the duke's forebears, I cannot pinpoint specific benefactions, but I am convinced that he is simply carrying on a long and proud tradition.

JOHN de KUYPER, Kontich, Belgium.

Pottery Worth a Pilgrimage

Regarding "Szentendre: The Left Bank on the Danube" (Travel, Nov. 30) by Alexandra Shelley:

I was surprised to note that Ms. Shelley, in her article on the charming Hungarian town of Szentendre, omitted its greatest attraction: the Margit Kovacs museum. It has been a place of pilgrimage for art lovers and Hungarians in general since long before the current rush to the newly discovered East European countries. Ms. Kovacs was the greatest pottery artist of Hungary — perhaps of Europe in this century. The museum, in a wonderful building, presents not only her work but her life. I suggest that anyone who visits the region head there upon arrival.

KATHARINA T. HAHN, Lisbon.

GENERAL NEWS

Sakharov: Still Soviet Model for Hope

By David Remnick

WASHINGTON Post Service
MOSCOW — A winter evening a little more than a year ago: exhausted from another day of political battle in the Congress of People's Deputies, Andrei D. Sakharov told his family that he was going downstairs to his study to take a nap and then write his speech for the next session.

"There will be a great struggle tomorrow," he told his wife, Yelena G. Bonner. A few hours later, she found him collapsed in the hallway. Mr. Sakharov was dead.

The next few days were moving. In bitter winds and snow, tens of thousands of people waited outside the Palace of Youth for the chance to pass by the coffin and say goodbye. Time and again someone would stop, tears in his eyes, and say, "Forgive us!"

At the Kremlin, a young, disabled legislator named Dye Zaslavskiy bobbed to the podium and insisted the Congress declare a day of mourning. When Mikhail S. Gorbachev told him to sit down, Mr. Zaslavskiy, finding for a moment within him the strength and spirit of Mr. Sakharov, said he would not. He had more to say and he would say it.

Then the day of the funeral: Mr. Gorbachev and the Politburo members pulling up in limousines at the Academy of Sciences and removing their fur hats and fedoras to pay a

moment's respect to Mr. Sakharov. Mrs. Bonner looking on with a weary eye. Then the daylong funeral march: the coffin in the large parking lot at Luzhniki stadium, and finally the dark and the smell of pines and snow at Vostryakovskoe cemetery, the army band playing Schumann's "Trammi," the sod thrown in clumps on the coffin.

Everyone went home that night empty and exhausted, wondering

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what Mr. Sakharov's absence would mean to this struggling country. People say they thought it was like the terrible uncertainty after Stalin's death in 1953. Then the country had lost its mesmerizing butcher; now it had lost its saint.

Within a few months, Mr. Gorbachev came round to one of Mr. Sakharov's crucial political demands: The Communist Party ended its guaranteed monopoly on power.

But with time it became clear that Mr. Sakharov's death on Dec. 14, 1989, meant something even greater than the loss of a clear-headed and courageous political advocate. A new generation of democrats, many of them in the Russian republican parliament and in the city halls of Moscow and Leningrad, have already taken Mr. Sakharov for their inspiration, and they are learning.

But Mr. Sakharov's leadership was more complicated than that. He was for more than 20 years this country's moral center. Human rights for him was a matter not of loving humanity — an easy, grotesque declaration — but of respecting the individual man and woman, of restoring the civic and social bonds torn apart by a totalitarian system. His sense of ethics and his untheatrical persistence had the ability to change the way people think.

Mr. Sakharov's life — its meaning and narrative — seems like a book from the biblical prophets: his personal transformation, his exile and return.

Working nearly 40 years ago at the nuclear test site in Kazakhstan, the Soviet Los Alamos, Mr. Sakharov saw the potential devastation that his team of scientists had brought into the world with their new hydrogen bomb. He also began to understand the nature of the regime that had filled his desk drawer with the highest awards. He turned from the privileged life of pure science to the messy, uncharted course of politics and dissent.

It was left to this gentle physicist to confront a system that had executed millions of its own people and tried to install a robotic sense of obedience in the rest.

Hannah Arendt once described how a totalitarian society, through purges and propaganda, through

the deliberate arbitrariness of its rule, divides each person from the other, creates a society of universal suspicion. Loneliness becomes the normal state of being.

There were other dissident heroes of the last 25 years, many of whom suffered even greater privations than Mr. Sakharov. But he had a singular gift, a genius for moral strength and accuracy that helped people gain trust in the efficacy of their own thoughts.

By example, he waged war against despots through the elemental act of thinking his own thoughts, acting on his conclusions and refusing to retreat. By example, he returned people to themselves and helped them fight the kind of social loneliness that Arendt described.

In this case the cliché of an "untimely death" rings true. The Soviet Union's perspectives for a renewed economy and state system seem so long-term, so painfully distant at times, that no one is in any mood to dwell on the political victories of the last six years.

This is an exhausted country with exhausting trials ahead of it. The air is filled with contradictions and desperation. Mr. Gorbachev himself is now subject to calls both for an iron hand and for faster democratic change. Somehow without Mr. Sakharov, life is more confused — for the Soviet people and especially for their president.

Prague Prime Minister Plays Down Rift

By John Tagliabue

PRAGUE — As this federated country struggles to forge greater unity between its Czechs and Slovaks, it is President Vaclav Havel who is mostly feeling the limelight, while Prime Minister Marian Calfa feels most of the heat.

Calls for Mr. Calfa's removal have come from staunch anti-Communists who distrust him.

Some point out that he was still a Communist Party member as late as last December, when he was named prime minister in the first postwar government not dominated by the Communists. Mr. Calfa resigned from the party shortly afterward and joined Mr. Havel's Civic Forum.

Some Czechs regard him warily because he is a Slovak. At the same time, the prime minister finds himself under attack from Slovak nationalists, who regard him as something of an apostate leaning over backward to compensate for his own origins.

Mr. Calfa still has Mr. Havel's endorsement, however. Drawing on that support, he played the crucial mediating role that produced legislation last week outlining the powers of the central government.

For the moment, the measures have calmed the nationalist passions that had Czechs and Slovaks feuding over which federal powers would be turned over to the two republics. The legislation enacted by the parliament on Wednesday will allow the central government to retain its responsibility for national defense, foreign policy, economic strategy, oil and gas supplies and decisions on national minorities.

The Slovak and Czech regions are to assert equal authority over fiscal policy by rotating the presidency of the central bank from year to year.

In a recent interview, Mr. Calfa made it clear that his defense of national unity was largely a matter of economic pragmatism.

"The Slovak economy as well as the Czech economy have been developing together since 1918," he said. "A geographical border was never conceived in this."

Although Mr. Calfa emphasized the serious challenge posed by Slovak separatism, he did not appear overly troubled by recent grumbling among members of the Civic Forum movement. Last week, several prominent leftist leaders said they would form a dissent bloc called the Liberal Club.

Some politicians say a schism may become

more evident at the national convention that is planned for January.

Mr. Calfa played down the divisions. "The general vision is that we want parliamentary democracy and free market mechanisms, and we want to be just like the advanced countries of the world," he said. "That is the motto of all political parties in this country, of all political parties. There's no difference on that."

Mr. Calfa has the responsibility of overseeing the budding economic changes in Czechoslovakia. What appears to trouble him most is the country's reliance on the Soviet Union for a large share of its oil supplies.

"It is a critical situation: We are linked together with the Soviet Union by one pipeline," he said, adding that Moscow is "in fact the monopoly supplier of oil to Czechoslovakia."

In his search for alternative suppliers, he traveled this month to Algeria, Morocco and Tunisia. He is to visit Indonesia in January. But independence from Soviet crude will be possible only with the construction of an alternative pipeline from ports in the Mediterranean, he said.

Czechoslovakia hopes to build such a pipeline with the European Community's help.

VIEWPOINT

The Commerzbank report on German business and finance

The German economy in 1991:
divergent trends

Two factors make a forecast for western Germany's economic performance in 1991 especially uncertain. For one thing, the cyclical pattern is being obscured by unification; for another, the Middle East crisis — unresolved at the time of writing — poses a threat to the entire world economy.

However, it is even more difficult to present a forecast for the ex-GDR. Not only are there immense problems in terms of the reliability and comparability of statistics; its abrupt transition from a command to a market economy is also without historical precedent. Moreover, given the present divergent trends for the two parts of Germany, data on the country as a whole would be of little value; they could not be compared with past data and would also not accurately reflect current developments in either the east or the west. During the first half of 1991, the economy of the former GDR is likely to improve, ushering in several years of high growth. For 1991 as a whole, though, aggregate output will probably fall by between 5 and 10%.

Cross-pressures

In West Germany, there is increasing evidence that the economy is now in the late phase of an upswing: inflationary pressure from wage costs is mounting, monetary policy is becoming tighter,

and profit margins are being squeezed. At the same time, foreign demand has weakened considerably. Yet domestic demand is clearly on the increase, thanks not least to an expansionary fiscal policy. In fact, the growth of domestic demand has been the

than roughly half 1989's rate, although, unlike the balance of payments statistics, these figures include the sharp rise in deliveries to the former GDR. During the first nine months, West Germany's merchandise exports (excluding those to the GDR) were

Key economic data for western Germany	1989 ¹⁾	1990 ²⁾	1991 ³⁾
Private consumption ⁴⁾	1.7	5.0	3.0
Government consumption ⁵⁾	-0.9	2.0	2.0
Machinery and equipment ⁶⁾	9.7	12.0	5.0
Construction ⁷⁾	5.1	6.5	3.0
Domestic demand ⁸⁾	2.7	4.5	3.5
Exports ⁹⁾	11.5	6.5	5.0
Imports ¹⁰⁾	8.8	9.0	6.5
Gross national product ¹¹⁾	3.9	4.0	3.0
Industrial production	5.2	5.5	4.0
Retail trade ¹²⁾	2.2	7.0	3.5
Consumer prices	2.8	3.0	3.5
Employment, in millions	27.7	28.4	28.5
Current-account surplus ¹³⁾ , in DM bn	104.1	80	60
Fiscal balance ¹⁴⁾ , in DM bn	+4.9	-70	-95

1) In 1989 prices; 2) From July 1990 onwards for the united Germany; 3) 1990 and 1991 for the united Germany, based on national account definitions; 4) Not stated otherwise, changes in %; 5) 1990 and 1991: Commerzbank estimate, rounded to the next half or full percentage point.

key factor of West German economic performance in 1990. Private consumption's strong expansion has been spurred by the 1990 tax cuts, the sizeable rise in employment, higher pay settlements, and the strong propensity to consume of German immigrants from the East. The purchases by residents of the former GDR, however, are counted as exports. But they are reflected in the large increase in retail sales. Next year, the stimulus of the tax cuts will be missing and employment growth will slow.

Even this year, exports have expanded at no more

only 1.8% higher in volume terms. For 1991, no improvement is likely, and the growth rate would even be much lower if exports to East Germany were omitted.

Despite high interest rates, business investment remains strong, reflecting the positive sales outlook thanks to Ger-

man unification, the opening-up of Eastern Europe and the completion of the Single European Market. However, at least in sectors which do not stand to benefit from these developments, high interest rates will dampen growth, and residential construction will be particularly hard hit. All told, western Germany's economy should grow by 3% in 1991, a higher rate than is forecast for most other industrial countries.

D-mark strong

Rising price and cost pressures will prevent the Bundesbank from lowering interest rates in line with other central banks. However, long-term rates will probably be somewhat under — rather than over — 9%, due in part to a strong D-mark and receding interest rates elsewhere. Despite a lower all-German current-account surplus, the D-mark will tend to appreciate — within the EMS as well — thanks to capital inflows prompted by the high interest rates and attractive investment opportunities in the former GDR.

Apart from the problems besetting the world economy, Germany faces a home-grown threat as well — the possibility of a clash between overly high pay settlements and central-bank policy. And the likelihood of this would increase if the Government raised taxes — something which is not really necessary.

COMMERZBANK
German knowhow in global finance

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THE GULF: Unless there is a diplomatic breakthrough soon, Congress will have to decide whether Bush should have a free hand on use of force



PEACE EFFORT — Chadli Bendjedid, left, the Algerian president, and President Hosni Mubarak of Egypt at a press conference in Cairo on Monday after holding talks on the Gulf crisis. The Algerian leader is on a Middle East peace tour. He said again in Cairo that he could not envisage a wholly Arab solution to Iraq's occupation of Kuwait and that an international one must be found to avoid war.

Soviets Set to Pay Iraq to Free Experts

MOSCOW — A Soviet Foreign Ministry spokesman said Monday that Moscow would be prepared to pay Iraq to solve a dispute over contracts that is preventing the release of Soviet experts trapped in Baghdad.

"Our economic relationship has been rather longstanding, and it remains to be seen who will pay what to whom," the spokesman, Vitaly Churkin, said after a briefing. He added, "We would be pre-

pared to pay to get our people out of Iraq."

Iraq demands that Moscow accept responsibility for any breach of contract caused by the withdrawal of the 2,300 Soviet advisers.

A spokesman for the Soviet Embassy in Baghdad said earlier that Iraq was refusing to let the experts leave until the dispute was resolved. Mr. Churkin said he had not received confirmation of this.

A Soviet delegation began talks in Baghdad on Monday to try to

negotiate the release of the advisers. Mr. Churkin said 2,565 Soviet citizens were still in Iraq.

The Soviet foreign minister, Eduard A. Shevardnadze, said last month that Moscow would not hesitate to use force to protect the 3,300 Soviet citizens then in Iraq.

Iraq condemned the comments as hostile, but on Dec. 4 it said all Soviet citizens could leave as long as Moscow alone bore responsibility for breaches of contract.

Mr. Churkin said the Soviet delegation in Baghdad, headed by Vladimir Morozov, first undersecretary of the Foreign Trade Ministry, would try to settle all outstanding issues with Iraq.

Terrorist Vows Worldwide Attacks Against U.S. Targets if War Erupts

BAGHDAD — The leader of a radical Palestinian group said specially trained squads were prepared to strike American and Western targets worldwide if war broke out in the Gulf, an Iraqi newspaper reported Monday.

The radical, Mohammed Abbas, leader of the Palestine Liberation Front, which is based in Baghdad, told the newspaper *Jumhuriya* that Western and U.S. targets had already been selected.

"If war flares up it will not go the same direction as planned by the American administration," Mr. Abbas said. "The United States does not have the final decision to confine it to a limited area."

Mr. Abbas led the Palestinian group that hijacked the Italian cruise ship *Achille Lauro* in October 1985 and killed an American passenger.

"The striking Palestinian groups have selected their targets among American and Western interests worldwide, which will be attacked once the American aggression against Iraq takes place," Mr. Abbas said. "Our national forces have been prepared to wage a war which would defeat the enemy and gain victory for all Arabs."

Congress Feels the Need to Talk, Softly

By Susan F. Rasky
New York Times Service
WASHINGTON — After months of ducking a serious debate on American policy in the Gulf, Congress is preparing to face its moment of truth.

Unless a diplomatic breakthrough persuades President Saddam Hussein of Iraq to withdraw his troops from Kuwait before Jan. 15, legislators expect they will have to decide whether to give President George Bush the go-ahead to remove them by force.

Mr. Bush has offered no guarantee that he will seek such approval, saying only that he is "considering" it. And the Democrats who control Congress have shown no interest in pressing the point with resolutions specifically ruling out force.

Instead, Democratic leaders have made plans for the new Congress that convenes Jan. 3 to remain on call instead of recessing until Jan. 23 as originally scheduled.

"The Senate should and will debate this issue," said the Senate majority leader, George J. Mitchell of Maine. He and seven Democratic colleagues are on a weeklong trip to the Gulf that they described as an information-gathering mission.

But much as Congress wants to play a part in shaping Gulf policy, the fact is that by tradition and inclination it is a reactive institution, especially in foreign affairs.

Its role in the Gulf crisis is defined by sometimes contradictory objectives: exercising the war-making powers conferred on it by the Constitution, raising legitimate questions about the conduct of foreign policy, supporting the president when American lives and vital interests are at stake and getting the president to make the first move.

Representative Dante B. Fascell, Democrat of Florida, who is chairman of the House Foreign Affairs Committee, describes the congressional posture as "staying as quiet as you can while gnashing your teeth and growling."

One objective, shared by Republicans and Democrats, hawks and doves, is a genuine desire to see the

constitutional prerogative to declare war protected and observed.

The Vietnam experience weighs heavily on legislators, even though only 23 House members and five Senators were in office when the Gulf of Tonkin resolution was adopted in 1964. Institutionally and emotionally, Congress has never quite forgiven itself for giving President Lyndon B. Johnson what amounted to a blank check to conduct that war.

Legislators who were prepared to wink at the Constitution when American forces were called to action in Libya, Grenada and Panama without prior congressional approval see combat in the Gulf as a very different matter.

Defense Secretary Dick Cheney's assertion on Dec. 3 that Mr. Bush has all the authority he needs to order offensive military action is taken seriously in Congress.

"There is no question that the president, as commander in chief, can order the forces to engage in offensive action, and they will probably obey his command," said the House speaker, Thomas S. Foley, Democrat of Washington, in an interview on Cable News Network.

"But to do that from a standing start," he said, "in my judgment, in constitutional terms, requires an authorization — not necessarily a formal declaration of war, but an authorization."

House Democrats were sufficiently exercised by Mr. Cheney's comment to adopt overwhelmingly a policy statement stipulating that the president should not order American troops into offensive combat without the explicit approval of Congress.

Although Republicans have been less vocal on the subject, such influential figures as Senators Bob Dole of Kansas and Richard G. Lugar of Indiana have told Mr. Bush that it would be folly to proceed with a military offensive unless Congress was behind him.

Representative Henry J. Hyde, Republican of Illinois, one of a 25-member bipartisan congressional leadership group with whom Mr. Bush has been consulting on Gulf policy, said he was confident that the president would at least consult with Congress before ordering offensive action.

"I certainly have the impression he is not going to do anything in the dead of night," Mr. Hyde said. "And if and when he reaches the opinion that economic sanctions are not going to do the trick, leaders and senior people will be consulted."

The worry over constitutional requirements is more than a legal nicety. Legislators recognize that once American troops are engaged in combat, Congress will have little stomach to exercise its other constitutional prerogative: cutting off money to fight a war.

That means that if a resolution authorizing force is adopted, any reservations, limitations or redefinitions of policy goals that legislators want to express on Gulf policy will have to be built into it.

Those mechanics will be tricky if Congress is to meet another of its objectives: making sure that it is seen as supporting, or at least not obstructing, Mr. Bush in the first

major foreign policy crisis of the post-Cold War era.

For Democrats, this is also a matter of partisan political concern. Party leaders would like to dispel the image that Democrats are unwilling to use American military might under any circumstance.

"I've believed all along that there is something here worth standing up for and even dying for," said the House majority leader, Richard A. Gephardt, Democrat of Missouri.

Like other top Democrats in the House and Senate, Mr. Gephardt has argued that economic sanctions against Iraq should be given more time. That view, he said, has never been advanced to preclude the use of force, but rather to insure that it was a last resort.

Congressional leaders are struggling with another difficult objective: making sure that once Congress speaks, it does so with something approaching coherence and unity.

This month, Mr. Foley, Mr. Mitchell and the House Republican leadership judged that convening a special session of the lame-duck Congress to debate Gulf policy would be the worst way to accomplish that.

Although Mr. Bush was persuaded, there were dissenting voices from both political parties. Senator Daniel Patrick Moynihan, Democrat of New York, said the Bush administration should have faced the question of authorization for use of force back in September, but he also blamed Congress for not pressing the point.

"I think it was our responsibility," he said. "If they didn't, we should have."

Nonetheless, congressional leaders fear that Congress does not deal well with hypothetical questions. Another of their objectives is to have Mr. Bush ask Congress for something specific.

Ex-U.S. Security Chiefs Urge Early Gulf Action

WASHINGTON — Fourteen former government officials, including top national security experts, said Monday that the United States should not delay military action much beyond Jan. 15 if Saddam Hussein fails to withdraw his forces from Kuwait.

"I don't think we can just sit forever and depend on sanctions," Admiral Thomas H. Moorer, former chairman of the Joint Chiefs of Staff, said.

Robert F. Ellsworth, former deputy secretary of defense and a one-time Republican congressman from Kansas, said, "Saddam Hussein will not respond to anything except a credible threat of immediate military action."

That's what will move him out of Kuwait," he added.

Admiral Moorer and Mr. Ellsworth released a

letter that they and 12 other officials signed, addressed to Foreign Minister Tariq Aziz of Iraq.

They said they had planned to deliver it to him during his visit to Washington, which was canceled.

The letter expressed support for President George Bush and the UN Security Council in "requiring Iraq's immediate, complete and unconditional withdrawal from Kuwait."

"In the event of Iraq's failure to comply," the signers said, "we do not believe it wise or in the interest of international security to delay the use of all necessary means much beyond that date."

Others signing the letter were Richard V. Allen and Robert C. McFarlane, both of whom served as national security advisers to President Ronald Reagan.

The other former officials who signed the document were Thomas C. Reed, former secretary of the air force; John F. Lehman, former secretary of the navy; General P.K. Kelly, former commander of the Marine Corps; Vice Admiral John J. Shanahan, former commander of the U.S. 2d Fleet; Brigadier General James D. Hittle, former assistant secretary of the navy; Brigadier General Hugh S. Aitken, former deputy director of joint plans for the Marines; Robert H. Knight, former chairman of the Federal Reserve Bank of New York; Robert D. Blackwill, former special assistant to the president for national security affairs; Roland A. Paul, former counsel of the Senate Foreign Relations Committee; and William J. Taylor, former director for national security studies of the U.S. Military Academy.

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François Lesage: The master embroiderer of Paris haute couture.

Behind the Designers, The Dream Makers In Praise of the Unknown Tradesmen

PARIS — When the master embroiderer François Lesage had a quarrel with the irascible head of a Famous French Fashion House, he was dismissed as "just one of our little suppliers." Lesage decided to bite back, and the result is a book that celebrates the unknown names behind the glamour of haute couture.

Quivering feathers, extraordinary hats and shoes, sumrings of hand-pleating, and of course the incrustations of embroidery are all laid out in 140 magnificent full-color images in "Entre des Fourneurs, or Tradesmen's Entrance" (Éditions Assouline-Macgill). Each major couturier contributes a piece to these unusual suppliers who make such a major contribution to high fashion.

Hubert de Givenchy pays tribute to the jewelry of Madame Grégoire, whose succulent beads and complicated craftsmanship date from the days when the family company had Sarah Bernhardt as a client. Yves Saint Laurent recognizes the contribution made to his work by the fabrics of Abraham: the rivelets of color and pattern, the drape and the texture of the cloth.

Then there is the pixie-faced Raymond Roudiez, passionate about horses and possessions (in that order), whom Christian Lacroix describes in the poetic disorder of her tiny atelier in a back street in Paris, creating complicated corded tresses with nimble fingers.

Lesage is the only name to have risen to public consciousness in the fashion world after an exhibition of his embroideries was held at the Fashion Institute of Technology in New York in 1987, then in Paris. It has subsequently toured the world.

His embroideries are the stuff of dreams: made of thousands of tiny pearls recreating puffy quilting for Chanel, or the famous jackets he created for Yves Saint Laurent in 1987, when van Gogh's "Irises" and "Sunflowers" were re-

created in beads or icy crystals and sewn on in 600 hours of work. "For me, Saint Laurent is the greatest of all, because of the depth of his imagination," says Lesage, who now has a boutique with his own lines at Place Vendôme, in the former home of Schiaparelli, with whom Lesage's father had a special relationship.

Gianfranco Ferré at Dior, who writes about Lesage in the book, says the embroiderer has a particular skill at interpreting designer's dreams: "I show him a brooch of

Lesage has four children but no obvious heir. Many of the fourneurs are well into middle age or more.

"When I look at the book, I have a certain nostalgia," Lesage says. "Nobody has really thought about the succession. It was always family business, passed on from father to son. Now the younger generation want to be stars."

Lesage remembers lining up with a dozen other embroiderers, each with a case of samples, waiting for an appointment with the master. Now the few remaining suppliers are solicited by designers who realize that if haute couture is to survive it has to use the skills of hand craftsmanship, to distinguish between couture and luxe ready-to-wear.

Just as the suppliers are dwindling, so are the fantastic tools of their trade. André Lemarié, the *plumier* — the feather man — has just a few exotic, rainbow-colored birds of paradise feathers left. He travels the globe to find ostrich feathers from South Africa, cock's feathers from the United States and pheasant feathers from China. They end up as the glowing bottle-green plumage of a Saint Laurent necklace, a fluff of pink feathers around the thighs of a Lacroix dress or as a fluttering cape at Dior.

The fine feathers of haute couture may increasingly be an endangered species, but then so are the suppliers who have finally been given the recognition they deserve.

—SUZY MENKES

**François Lesage's
embroideries have
now been lovingly
displayed as
museum pieces.**



Gianfranco Ferré's fine feathers for Dior, at top; Christian Lacroix's flower-bouquet embroidery, and van Gogh works of art, by Lesage, for Yves Saint Laurent, inset.



Béatrice Bongibault: Out of fashion at Dior.

The Upheaval In Paris Couture Dior Fires Its Managing Director

By Suzy Menkes
International Herald Tribune

PARIS — Béatrice Bongibault, the managing director of Christian Dior and the architect of its recent development and the appointment of Gianfranco Ferré as designer, was dismissed Monday by the house's owner-financier, Bernard Arnault.

The change at Dior comes on top of an announcement last week by Alain Chevalier, chairman of Balmain, that he would close couture operations "for economic reasons."

"I am devastated," said Bongibault. "Until 12 noon I was at Dior, but I have now left at the request of the president. There were no major arguments between us. I can only suppose that he has someone else in mind."

Bongibault's departure follows persistent rumors that Nan Legat, the president of Céline, was Arnault's choice to head Dior. But his spokesman said Monday that no announcement of a replacement had been made.

It has also been contended that Dior ready-to-wear and couture have not sold as well as projected. Dior opened a flagship store on Fifth Avenue in New York in November at a time of major recession in fashion in the United States.

The current volcanic eruptions in high fashion suggest a change in the landscape of haute couture that will leave the major houses with big bucks for investment and promotion as peaks, while the rest are flattened or even put out of business.

"We will be the first of many," said Chevalier, citing the top-heavy structure, in which couture costs a fortune to present and has a shrinking client list and in which staff members are underemployed outside the seasonal collections. He is replacing couture at Balmain with a capsule made-to-order collection.

Others say that Chevalier simply paid too much when he bought Bal-

main last year for 550 million francs (\$110 million at current rates). Couture, a money-loser for at least a decade, is used as the engine to propel a designer's name forward.

Haute couture became a business of financiers and fragrance during the expansion of the luxury market in the 1980s. The purchase of Balmain was part of the complex and public squabble between the kingmakers of couture.

Chevalier was formerly president of LVMH Moët Hennessy-Louis Vuitton; he was ousted when Racamier teamed up with Arnault, also the founder of Christian Lacroix; Arnault then fought and vanquished Racamier. Chevalier then bought Balmain, and Racamier, with l'Oréal as a partner, bought Lanvin, where Claude Montana had been taken on as designer.

At Balmain, Chevalier replaced the couturier Erik Mortensen, with a 25-year-old from the studio, Hervé Pierre, giving the ready-to-wear to the British-born designer Alistair Blair.

This high-fashion musical chairs started with Karl Lagerfeld's appointment to Chanel in 1981. Its purpose is to rev up fragrance sales and licensed products.

The majority of couture houses are privately owned and reluctant to reveal figures, but Chevalier acknowledged that the revenue from Balmain's Ivoire, Vent Vert and Monsieur Balmain fragrances for 1990 was 65 million francs (an increase from 40 million last year). This compares with a 1989 figure of more than 2.5 billion francs for Saint Laurent and 3.1 billion for Parfums Christian Dior.

Even the first year's revenue for Christian Lacroix's C'est la Vie! (to date 180 million francs) is more than double the Balmain figure.

Launching a fragrance requires a heavy investment but ultimately offers huge rewards. The cycle is self-perpetuating: Only the few big houses can afford to give a splashy couture show, thereby generating yet more publicity and sales. The same operation is ruinous elsewhere.

"It may be that only those houses with enormous finances behind them will be able to show in the future," Chevalier said.

Robert A. Gerber

STYLE MAKERS

Juan Gatti

PASSION FOR GRAPHICS

MILAN — "For me a sense of humor is the most serious thing in the world," says the Argentine graphic designer Juan Gatti. In a career that represents his "personality and fantasies," he uses visual flair to combine humor with glamour. And from his home-studio in Madrid, Gatti, 40, has built a reputation for the unexpected.

His projects range from graphic

design for Pedro Almodóvar (notably the opening titles and poster for "Women on the Verge of a Nervous Breakdown") to art direction for the designers Sybilla, Loewe and Elena Benarroch; from designing a book by Bruce Weber for the musical "Black and Blue." He has just left Italian Vogue, where he was artistic director for 14 months.

"I think my major rapport was with color," he says. "In the past the magazine was black and white, some red. But I was thinking pink. The three things I put in were a

sense of humor, fantasy and the colors."

His conceptual approach to the magazine led it in a direction of cosmopolitan playfulness. He introduced photo jokes, like the collage of crowned faces under the heading "God Save the Tiara."

But altering the austere image of Italian Vogue into an unpredictable package of colorful pages and wicked humor has met with some resistance. Photographers were occasionally shocked to find their black-and-white pictures colored in orange and aqua. And devoted followers of the magazine sometimes perceived the art director's innovations as "too kitschy."

For the July cover Gatti took a

picture of Naomi Campbell, a black model, in a long blond wig, gold brocade, fur-trimmed (Ferré) outfit and gold opera gloves, and set it on a gold background.

He says, "Really enough of the prêt-à-porter propaganda. Fashion is one of the only things you can take with a sense of humor in these times. If you make a drama about fashion, what about life?"

"There's a lot of problems with the planet, with contamination, with the economy, with art, with everything. There are only two things you can do with some degree of happiness: Buy some clothes, go dancing. Fashion and music."

In conversation — as on the job — he responds with visual allusions

drawn from an exceptional memory of movies and art.

"For me 'Funny Face' and 'Moholy-Nagy' were equally important," he says. "Because I was educated first with all this fantasy from films like 'Funny Face' and 'Lady in the Dark.' After that, in design college, I studied Bauhaus artists like Moholy-Nagy, Lissitzky, Jan Tschichold. The thing that makes me unique is the mix between Bauhaus and Hollywood."

As an art director, he evoked the tradition of Alexander Liberman at American Vogue, preferring to let mood determine formal considerations.

"Photography, like art, is the product of an obsession," he says.

"When you see the obsession of the person through what he made, you see the real artist. It's an exact reflection of the personality. In my case it's the same. Because when I make a page in pink it represents a stronger part of my personality than, say, blending two colors."

The gold-on-gold travesty could make Vogue the first fashion magazine to capitalize high-brow expectation with demimonde taste.

And in a statement that is characteristically concrete and elliptical, Gatti says, "The only thing I respect is passion. Passion and obsession. It's very Mediterranean."

JEAN-LOUIS SCHERRER

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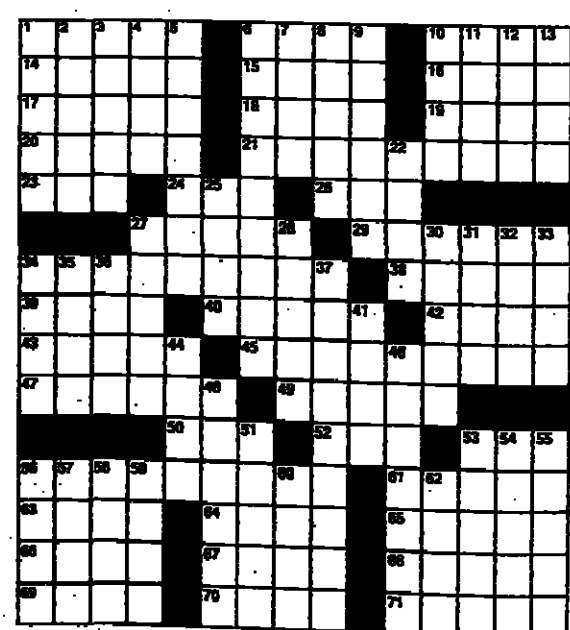
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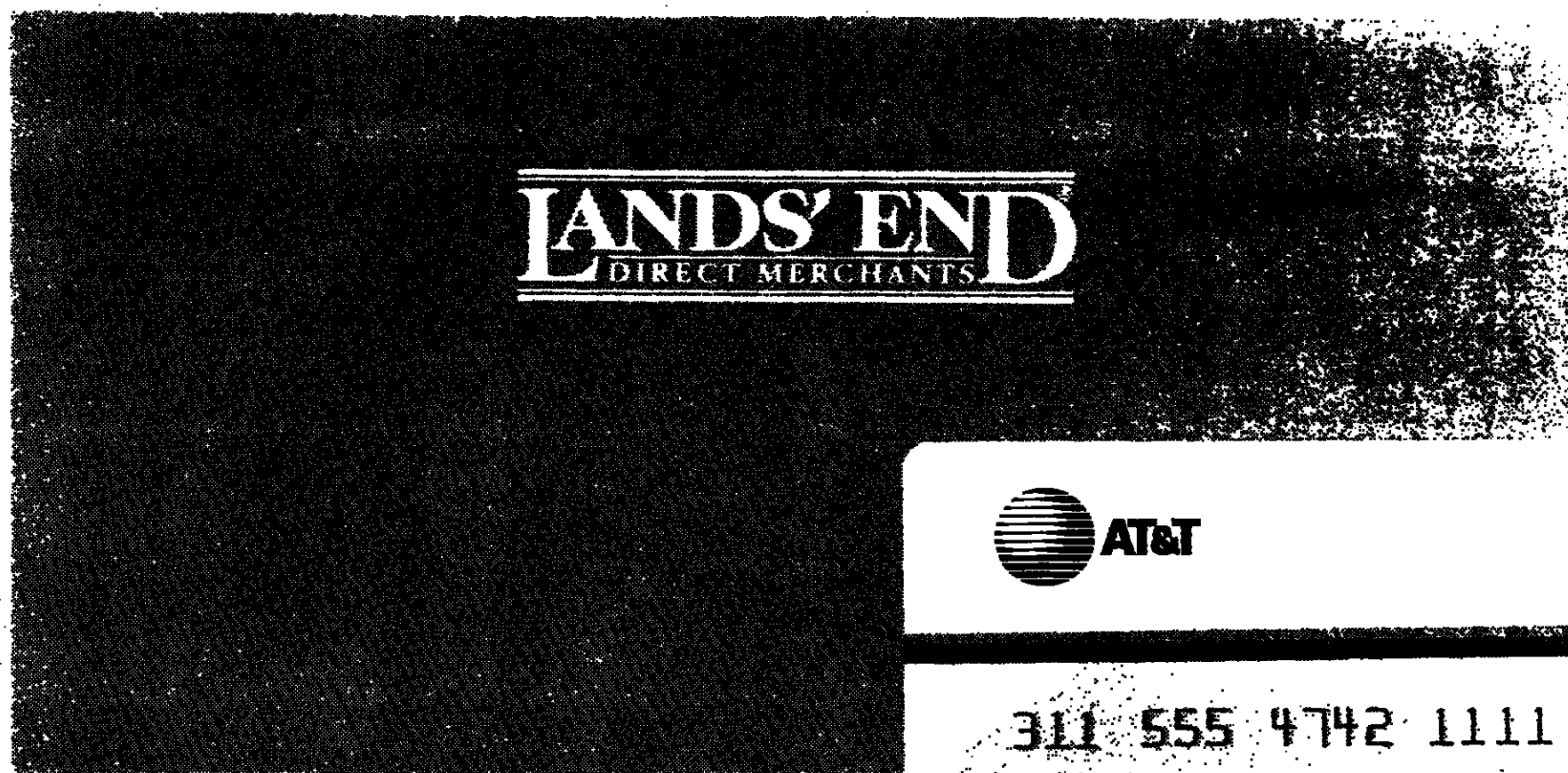
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Monday's Closing

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17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698	699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755	756	757	758	759	760	761	762	763	764	765	766	767	768	769	770	771	772	773	774	775	776	777	778	779	780	781	782	783	784	785	786	787	788	789	790	791	792	793	794	795	796	797	798	799	800	801	802	803	804	805	806	807	808	809	810	811	812	813	814	815	816	817	818	819	820	821	822	823	824	825	826	827	828	829	830	831	832	833	834	835	836	837	838	839	840	841	842	843	844	845	846	847	848	849	850	851	852	853	854	855	856	857	858	859	860	861	862	863	864	865	866	867	868	869	870	871	872	873	874	875	876	877	878	879	880	881	882	883	884	885	886	887	888	889	890	891	892	893	894	895	896	897	898	899	900	901	902	903	904	905	906	907	908	909	910	911	912	913	914	915	916	917	918	919	920	921	922	923	924	925	926	927	928	929	930	931	932	933	934	935	936	937	938	939	940	941	942	943	944	945	946	947	948	949	950	951	952	953	954	955	956	957	958	959	960	961	962	963	964	965	966	967	968	969	970	971	972	973	974	975	976	977	978	979	980	981	982	983	984	985	986	987	988	989	990	991	992	993	994	995	996	997	998	999	1000
17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600																																																																																																																																																																																																																																																																																																																																																																																																																

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Year	1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100
1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	

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The contents of this advertisement have been approved by BS

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NYSE Highs-Lows[illegible]

ANEX High-Speed

[illegible]

For investment information
read THE MONEY REPORT
every Saturday in the NYT

NATIONAL STOCK
Hold Back
Exchange

PRIVACY POLICY

DATE	DESCRIPTION	AMOUNT	BALANCE
1912	Jan 1		100.00
	Feb 1	10.00	110.00
	Mar 1	20.00	130.00
	Apr 1	30.00	160.00
	May 1	40.00	200.00
	Jun 1	50.00	250.00
	Jul 1	60.00	310.00
	Aug 1	70.00	380.00
	Sep 1	80.00	460.00
	Oct 1	90.00	550.00
	Nov 1	100.00	650.00
	Dec 1	110.00	760.00
1913	Jan 1	120.00	880.00
	Feb 1	130.00	1010.00
	Mar 1	140.00	1150.00
	Apr 1	150.00	1300.00
	May 1	160.00	1460.00
	Jun 1	170.00	1630.00
	Jul 1	180.00	1810.00
	Aug 1	190.00	2000.00
	Sep 1	200.00	2200.00
	Oct 1	210.00	2410.00
	Nov 1	220.00	2630.00
	Dec 1	230.00	2860.00
1914	Jan 1	240.00	3100.00
	Feb 1	250.00	3350.00
	Mar 1	260.00	3610.00
	Apr 1	270.00	3880.00
	May 1	280.00	4160.00
	Jun 1	290.00	4450.00
	Jul 1	300.00	4750.00
	Aug 1	310.00	5060.00
	Sep 1	320.00	5380.00
	Oct 1	330.00	5710.00
	Nov 1	340.00	6050.00
	Dec 1	350.00	6400.00

BEST RATES

Savings Deposits	
1 Year	5.00%
2 Year	5.50%
3 Year	6.00%
4 Year	6.50%
5 Year	7.00%
6 Year	7.50%
7 Year	8.00%
8 Year	8.50%
9 Year	9.00%
10 Year	9.50%
11 Year	10.00%
12 Year	10.50%
13 Year	11.00%
14 Year	11.50%
15 Year	12.00%
16 Year	12.50%
17 Year	13.00%
18 Year	13.50%
19 Year	14.00%
20 Year	14.50%
21 Year	15.00%
22 Year	15.50%
23 Year	16.00%
24 Year	16.50%
25 Year	17.00%
26 Year	17.50%
27 Year	18.00%
28 Year	18.50%
29 Year	19.00%
30 Year	19.50%
31 Year	20.00%
32 Year	20.50%
33 Year	21.00%
34 Year	21.50%
35 Year	22.00%
36 Year	22.50%
37 Year	23.00%
38 Year	23.50%
39 Year	24.00%
40 Year	24.50%
41 Year	25.00%
42 Year	25.50%
43 Year	26.00%
44 Year	26.50%
45 Year	27.00%
46 Year	27.50%
47 Year	28.00%
48 Year	28.50%
49 Year	29.00%
50 Year	29.50%
51 Year	30.00%
52 Year	30.50%
53 Year	31.00%
54 Year	31.50%
55 Year	32.00%
56 Year	32.50%
57 Year	33.00%
58 Year	33.50%
59 Year	34.00%
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76 Year	42.50%
77 Year	43.00%
78 Year	43.50%
79 Year	44.00%
80 Year	44.50%
81 Year	45.00%
82 Year	45.50%
83 Year	46.00%
84 Year	46.50%
85 Year	47.00%
86 Year	47.50%
87 Year	48.00%
88 Year	48.50%
89 Year	49.00%
90 Year	49.50%
91 Year	50.00%
92 Year	50.50%
93 Year	51.00%
94 Year	51.50%
95 Year	52.00%
96 Year	52.50%
97 Year	53.00%
98 Year	53.50%
99 Year	54.00%
100 Year	54.50%

GOLD

姓名	张明
性别	男
年龄	25
籍贯	山东
职业	教师
学历	本科
学位	硕士
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صبرنا من الامل

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Merrill Lynch Plans Branch in Taiwan

TAIPEI — Merrill Lynch & Co. said Monday that it would open the first foreign brokerage branch in Taiwan in January, but added that it would steer clear of the country's tumbling stock market.

William Schreyer, chairman and chief executive officer of Merrill Lynch, said the new branch would start by offering Taiwanese investors securities listed on the London, New York and Tokyo exchanges.

"We want to come in and do things one step at a time," Mr. Schreyer said. "We will decide our activities with Taiwanese securities at some point in the future."

Merrill Lynch and Shearson Lehman Hutton Inc. were the only foreign securities firms to apply for licenses last year, under a Finance Ministry plan to internationalize Taiwan's financial markets.

Shearson is also expected to open an office in January, although it has not announced its plans.

The Finance Ministry's plan was intended to draw off excess liquid-

ity by providing local investors with new investment channels.

But the stock market index has slumped severely, at one point down 80 percent from its peak in February. Many investors have now tightened their belts.

Taipei's weighted index, which hit a record high of 12,495.34 on Feb. 10, finished Monday at 4,102.74.

Under Finance Ministry regulations, foreign securities branches must also deal in Taiwan stocks. Merrill Lynch officials said their brokerage would do this by entering the country's fledgling over-the-counter market.

That market, begun last December, is a relatively low-risk operation. It had volume of 308,000 Taiwan dollars (\$11,550) on Monday, compared with volume of 38.3 billion dollars on the Taiwan stock exchange.

"We will be involved in Taiwan stocks in a small manner," said Alex Woo, Merrill Lynch's Taiwan general manager.

Japan Growth Will Be Slower, Nomura Says

Agence France-Press

TOKYO — The Japanese economy is expected to slow down, allowing a drop in the official discount rate of 0.5 percent in mid-1991, the Nomura Research Institute said Monday.

The fall in the discount rate, which is currently at 6 percent, would come "against the background of slower economic growth and deceleration of monetary growth resulting from more sluggish bank lending and lower oil prices," the institute said.

At the same time, Japan's trade and current account surplus, which shrank in the current year, is expected to rise again next year.

Economic growth, running at 4.9 percent in the financial year ending March 1991, is also expected to drop back to 3.5 percent.

Shekhar Discloses India Will Seek Big IMF Loan

By Sanjoy Hazarika

New York Times Service

NEW DELHI — Prime Minister Chandra Shekhar has disclosed that his government will seek a large loan from the International Monetary Fund to aid India with its balance of payments problem.

Mr. Shekhar declined to specify how much India would ask for, but others said it would seek more than \$2 billion.

"I told our officials that they should initiate a dialogue with the IMF because in the present situation we need the help," the prime minister said in an interview. "India will not hesitate to make an appeal, a request to help us in the present situation. I have never said that we should not take any cooperation or help from outside."

Mr. Shekhar, a Socialist who took office last month, said India would also seek assistance from Britain, Germany and Japan.

He indicated that his government would consider tough taxes on the rich and the middle class to

balance the political fallout at home of an appeal to the IMF.

Mr. Shekhar's opponents, especially the leftists, are expected to accuse the government of selling out India's interests to international financial institutions.

India's foreign exchange resources have been strained by the Gulf crisis, which disrupted oil supplies and caused a drop in foreign exchange remittances.

Industrial production has slumped in the face of political uncertainty over the last four months, including strife between Hindus and Muslims, inter-caste riots and the replacement of one minority government with another.

Seeking to change the perception that he is a doctrinaire Socialist, Mr. Shekhar said he was seeking a "practical approach."

"Perhaps we should compete with the best of technologies in the world, but it is not the most modern technologies that are needed in India, but appropriate technology which can provide jobs," he said.

Japan to Sell 2.5 Million of Its NTT Shares

Reuters

TOKYO — The Japanese government plans to sell about 500,000 of its shares in Nippon Telegraph & Telephone Corp. annually over the next five fiscal years, Finance Minister Ryutaro Hashimoto said Monday.

He said the government, which owns 10.2 million NTT shares, would keep the remainder of the 5.2 million shares that it had previously said it planned to sell.

NTT shares closed Monday on the Tokyo Stock Exchange down 30,000 yen (\$227), at 1,040 million yen.

The Finance Ministry sold 1.95 million NTT shares in the fiscal year that ended March 31, 1987 at 1.2 million yen each. The next year, it sold 1.95 million shares at 1.55 million yen and the following year 1.55 million at 1.90 million.

Investor's Asia

Stocks	Monday	Prev	%
Singapore Straits Times	2,051.92	2,125.59	-2.36
Tokyo Nikkei 225	11,171.58	11,585.33	-1.41
	12,557.70	13,008.50	-1.08
	12,407.91	12,439.50	-1.07
	500.37	508.11	-1.54
	545.04	558.29	-4.28
	708.04	710.08	-0.57
	410.74	430.31	-4.88
	474.45	490.25	-2.29
	385.21	390.41	-1.23
	1,178.08	1,193.23	-1.19
	587.67	607.51	-3.27

Sources: Reuters, AFP

International Herald Tribune

Shanghai Takes Bullishly to the Stock Exchange Business

Agence France-Press

SHANGHAI — High hopes are riding on Shanghai's new bourse, which opens for business Wednesday, but for eager locals with ready cash to invest, there are not enough stocks to buy.

Only seven stocks, plus a wide variety of bonds, are to be listed on the Shanghai Securities Exchange, the first in China to run on Western lines and a linchpin in bold plans to restore this city's title as an industrial and financial powerhouse.

Local authorities say more scrip will be added as the exchange finds its legs, but investors nostalgic for the pre-communist days when Shanghai was East Asia's capitalist hub are skeptical.

"Wait and see, wait and see," said one Shanghai-based investor on the sidewalk outside Jing'an Securities, one of the city's many brokerages.

"We have the money. We have the power to invest," his compan-

ion added. "But there's nothing to invest in."

Since the mid-1980s, individual Chinese have been able to trade in a select group of stocks and bonds at dozens of brokerage counters in Shanghai, Beijing, Shenyang and other cities.

But with too much cash chasing too few securities, black-market trading flourished on the sidelines, spurred by ceilings and floors on daily price fluctuations on the legal market.

Shanghai authorities have yet to define a range for the new exchange. But in over-the-counter trading, prices have been limited to 3 percent daily, according to investors.

The new exchange is situated in the Pudong district, a venerable hotel next door to the Soviet Consulate and within sight of the Edwardian architecture of the Bund, Shanghai's signature cornice.

Within its pillared trading hall, 22 member brokerages, using computers, will be able to buy and sell

stocks and bonds in volume on behalf of clients, who for the time being must be Chinese.

Watching its progress closely will be China's senior leaders, many of whom are ideologically wary of letting capital markets blossom in a centrally planned state, diplomats say.

Many experts say a bigger securities industry is the best way for the Chinese government, now wrestling with a \$9.8 billion yuan (\$1.88 billion) budget deficit, to tap into an estimated 1 trillion yuan in personal bank savings to finance industrial development.

In Shanghai's case, the exchange is expected to raise capital to turn the neglected Pudong district into a regional industrial and financial hub, a goal that has shot to the top of China's development agenda and won the support of Prime Minister Li Peng and other leaders.

"Our idea is that, by issuing stocks, we can gather more funds from the masses and put the companies concerned under their su-

pervision," said Wang Dingfu, an economist with the Shanghai branch of People's Bank of China who helped set up the exchange.

And while recession looms over the rest of the world, the mood in Shanghai is clearly bullish.

In over-the-counter trading, stock in Yu Garden Holdings, which owns a popular park and shopping arcade in the city's old quarter, goes for 400 yuan, four times its face value.

But last October it zoomed to 1,400 yuan on the black market when speculators from Shenzhen swooped into town, snapping up whatever they could find for resale back in Guangdong.

Since then the illegal price has cooled to 750 yuan, if you can find anyone willing to sell.

Also popular is Shanghai Electronic Vacuum Co., which still finds buyers for vacuum tubes. Since it was issued in 1987 it has also quadrupled in price to 400 yuan.

"Right now, a company's financial health makes little impression on us," a Shanghai-based investor explained. "The share prices keep on going up."

Local investors are also excited by the prospect of Sino-foreign joint equity ventures issuing stock on the new exchange, and the possible entry of offshore mutual-fund managers and investors.

Early next year, Indonesia's Asia Investment Services Ltd. of Hong Kong, a unit of Paris-based Banque Indosuez, is to launch the first-ever mutual fund designed to invest directly in share-issuing Chinese enterprises.

For the moment, neither it nor other foreigners will be able to trade on the Shanghai Securities Exchange, said Mr. Wang of the People's Bank.

But they could well be able to do so in the future, particularly if joint ventures are listed and if regulations on repatriating dividends and capital gains are drawn up, Mr. Wang said.

THAILAND: Listing Delays Deter Foreign Investors

(Continued from first finance page)

ministry for final review, according to the president of the stock exchange, Maruay Phadungjai.

Should the applications make it, the ministry, the issues are likely to trade on the stock exchange at a premium discount to their peak level on the OTC market because they were pre-placed at levels prevailing before Iraq invaded Kuwait, brokers said. Since Aug. 2, the stock exchange has plunged about 40 percent.

An anticipated wave of new issues, similar to the trend in Malaysia and Indonesia, has exacerbated the listing problem.

Even if the Thai bureaucracy could shake loose its paralysis, the new government of Prime Minister Chuanrich Chuanrich is not likely to undertake an ambitious reform of Bangkok's securities industry anytime soon. Mr. Chuanrich's previous coalition — the second since he began his four-year term in 1988 — crumbled earlier this month over

a row between the military and an outspoken member of his cabinet.

To obtain a listing, a company must have issued capital of 20 million baht and three years recorded profitability. A 49 percent limit on foreign ownership of a company's issued shares can drive the price of pre-placed stock to a premium of 5 percent to 30 percent.

In other securities markets, shares are placed a few days before companies are listed, narrowing the potential gap between the offering price and the market level once trading begins. In Bangkok, however, the delays between pre-placement and listings caused by the bottleneck at the Finance Ministry can greatly distort the indicated values of a given stock.

"The foreign ministry needs to be taken out of the loop," Mr. Enor said. "Regulators have got to have a system where underwriters can decide when the listings will take place."

Most analysts and government officials agree that the ministry

should relinquish listing authority to the stock exchange or an independent regulatory body. Plans to establish a securities exchange commission have been under way for the last year, and government officials said a draft bill establishing such a body could be ready for cabinet and parliamentary approval sometime next year. But private analysts said it could take much longer, given the expanse of the Thai bureaucracy.

Unrealistic offering prices also have hurt new issues. TPI Polene, the second-largest listing on the exchange in terms of market capitalization, was underwritten last July at 300 baht, about 60 times prospective earnings. Investors scoffed at the price, and TPI shares tumbled between 150 to 200 baht in the OTC market before they were officially listed five months later.

On the first day of trading, TPI shares opened at 274 with the support of the company's owners, but they quickly sagged. The stock price closed Monday at 168.

ADVERTISEMENT

INTERNATIONAL FUNDS

Quotations supplied by funds listed. Not all fund quotations are supplied by the Funds listed with the exception of some quoted based on issue price. The numerical values indicate percentages of quotations supplied: (a) — daily; (b) — weekly; (c) — monthly; (d) — quarterly; (e) — semi-annually; (f) — annually.

FUND NAME	ISSUE PRICE	NAV	YIELD	PERF
ABACUS FUNDS				
(1) Abacus Growth Fund	9.32	9.32	10.00	10.00
(2) Abacus Income Fund	9.32	9.32	10.00	10.00
(3) Abacus Bond Fund	9.32	9.32	10.00	10.00
(4) Abacus Equity Fund	9.32	9.32	10.00	10.00
(5) Abacus International Fund	9.32	9.32	10.00	10.00
(6) Abacus Global Fund	9.32	9.32	10.00	10.00
(7) Abacus Asia Fund	9.32	9.32	10.00	10.00
(8) Abacus Europe Fund	9.32	9.32	10.00	10.00
(9) Abacus Japan Fund	9.32	9.32	10.00	10.00
(10) Abacus Australia Fund	9.32	9.32	10.00	10.00
(11) Abacus New Zealand Fund	9.32	9.32	10.00	10.00
(12) Abacus South Africa Fund	9.32	9.32	10.00	10.00
(13) Abacus Middle East Fund	9.32	9.32	10.00	10.00
(14) Abacus Latin America Fund	9.32	9.32	10.00	10.00
(15) Abacus Europe Fund	9.32	9.32	10.00	10.00
(16) Abacus Asia Fund	9.32	9.32	10.00	10.00
(17) Abacus Global Fund	9.32	9.32	10.00	10.00
(18) Abacus International Fund	9.32	9.32	10.00	10.00
(19) Abacus Japan Fund	9.32	9.32	10.00	10.00
(20) Abacus Australia Fund	9.32	9.32	10.00	10.00
(21) Abacus New Zealand Fund	9.32	9.32	10.00	10.00
(22) Abacus South Africa Fund	9.32	9.32	10.00	10.00
(23) Abacus Middle East Fund	9.32	9.32	10.00	10.00
(24) Abacus Latin America Fund	9.32	9.32	10.00	10.00
(25) Abacus Europe Fund	9.32	9.32	10.00	10.00
(26) Abacus Asia Fund	9.32	9.32	10.00	10.00
(27) Abacus Global Fund	9.32	9.32	10.00	10.00
(28) Abacus International Fund	9.32	9.32	10.00	10.00
(29) Abacus Japan Fund	9.32	9.32	10.00	10.00
(30) Abacus Australia Fund	9.32	9.32	10.00	10.00
(31) Abacus New Zealand Fund	9.32	9.32	10.00	10.00
(32) Abacus South Africa Fund	9.32	9.32	10.00	10.00
(33) Abacus Middle East Fund	9.32	9.32	10.00	10.00
(34) Abacus Latin America Fund	9.32	9.32	10.00	10.00
(35) Abacus Europe Fund	9.32	9.32	10.00	10.00
(36) Abacus Asia Fund	9.32	9.32	10.00	10.00
(37) Abacus Global Fund	9.32	9.32	10.00	10.00
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(45) Abacus Europe Fund	9.32	9.32	10.00	10.00
(46) Abacus Asia Fund	9.32	9.32	10.00	10.00
(47) Abacus Global Fund	9.32	9.32	10.00	10.00
(48) Abacus International Fund	9.32	9.32	10.00	10.00
(49) Abacus Japan Fund	9.32	9.32	10.00	10.00
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(56) Abacus Asia Fund	9.32	9.32	10.00	10.00
(57) Abacus Global Fund	9.32	9.32	10.00	10.00
(58) Abacus International Fund	9.32	9.32	10.00	10.00
(59) Abacus Japan Fund	9.32	9.32	10.00	10.00
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(61) Abacus New Zealand Fund	9.32	9.32	10.00	10.00
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(66) Abacus Asia Fund	9.32	9.32	10.00	10.00
(67) Abacus Global Fund	9.32	9.32	10.00	10.00
(68) Abacus International Fund	9.32	9.32	10.00	10.00
(69) Abacus Japan Fund	9.32	9.32	10.00	10.00
(70) Abacus Australia Fund	9.32	9.32	10.00	10.00
(71) Abacus New Zealand Fund	9.32	9.32	10.00	10.00
(72) Abacus South Africa Fund	9.32	9.32	10.00	10.00
(73) Abacus Middle East Fund	9.32	9.32	10.00	10.00
(74) Abacus Latin America Fund	9.32	9.32	10.00	10.00
(75) Abacus Europe Fund	9.32	9.32	10.00	10.00
(76) Abacus Asia Fund	9.32	9.32	10.00	10.00
(77) Abacus Global Fund	9.32	9.32	10.00	10.00
(78) Abacus International Fund	9.32	9.32	10.00	10.00
(79) Abacus Japan Fund	9.32	9.32	10.00	10.00
(80) Abacus Australia Fund	9.32	9.32	10.00	10.00
(81) Abacus New Zealand Fund	9.32	9.32	10.00	10.00
(82) Abacus South Africa Fund	9.32	9.32	10.00	10.00
(83) Abacus Middle East Fund	9.32	9.32	10.00	10.00
(84) Abacus Latin America Fund	9.32	9.32	10.00	10.00
(85) Abacus Europe Fund	9.32	9.32	10.00	10.00
(86) Abacus Asia Fund	9.32	9.32	10.00	10.00
(87) Abacus Global Fund	9.32	9.32	10.00	10.00
(88) Abacus International Fund	9.32	9.32	10.00	10.00
(89) Abacus Japan Fund	9.32	9.32	10.00	10.00
(90) Abacus Australia Fund	9.32	9.32	10.00	10.00
(91) Abacus New Zealand Fund	9.32	9.32	10.00	10.00
(92) Abacus South Africa Fund	9.32	9.32	10.00	10.00
(93) Abacus Middle East Fund	9.32	9.32	10.00	10.00
(94) Abacus Latin America Fund	9.32	9.32	10.00	10.00
(95) Abacus Europe Fund	9.32	9.32	10.00	10.00
(96) Abacus Asia Fund	9.32	9.32	10.00	10.00
(97) Abacus Global Fund	9.32	9.32	10.00	10.00
(98) Abacus International Fund	9.32	9.32	10.00	10.00
(99) Abacus Japan Fund	9.32	9.32	10.00	10.00
(100) Abacus Australia Fund	9.32	9.32	10.00	10.00

For investment information read THE MONEY REPORT every Saturday in the IHT

Be sure that your fund is listed in this space daily. Telex Simon OSBORN at 613595F for further information.

SPORTS

The Greening of the Celtics' Geritol Gang

By Michael Wilbon
Washington Post Service

BOSTON — This was the standard pre-season evaluation of the Boston Celtics: front court too old, too slow; back court too young, bench nothing special. Best in the Atlantic Division, probably, but no chance to beat out the Detroit Pistons or the Chicago Bulls for the Eastern Conference title.

So how come the Celtics, at 19-4, are the best team in the East through the first quarter of the National Basketball Association season? The front court, with an injection of the back court's youthful exuberance, has been reborn. The young guys at guard have hidden their inexperience with talent. Kevin McHale is again the sixth man. And the Celtics, the team with the best field-goal percentage in the league, are positively ferocious once more.

The Geritol Three — Larry Bird, Robert Parish and Kevin McHale — have welcomed a much more diverse attack. Seven Celtics scored in double figures in Friday night's 108-100 victory over the two-time defending champion Pistons in Boston Garden.

"They're that good," said the Pistons' coach, Chuck Daly. "The record speaks for itself."

Parish struggled through much of November, but the Celtics won

Bird struggled with his shooting through much of December, but the Celtics are still winning. It used to be that if one of the Geritol Gang had a bad game, the Celtics were hard-pressed to win.

The primary reason the Celtics look good enough — at least for now — to challenge any team: Brian Shaw and Doc Brown, 24 and 22, respectively.

"It's a credit to the back court," said Parish, 37. "There's a lot more enthusiasm and it's rubbing off on the older guys."

Parish compared it to Kareem Abdul-Jabbar's rejuvenation when Magic Johnson joined the Los Angeles Lakers in 1979. "It's like being traded," said Parish. "A new life. To see them so gung-ho is great. The back court is where people had been breaking us down, which put more pressure on me and Kevin defensively. If we didn't do something about our back court, we were in for another long year. And nobody wanted that."

Certainly not Chris Ford, the new coach, who knew that another season of ancient warrior Dennis Johnson at point guard wasn't the answer. "Their athleticism and enthusiasm has given this team a shot in the arm," Ford said. "It's one thing to have youth. It's another to have talented youth."

When the Celtics lost three straight to the New York Knicks after taking a 2-0 lead in last spring's playoffs, Johnson had run out of gas and Bird, now 34, was no longer able to keep up with the best small forwards.

The drafting of Brown from Jacksonville, the return of Shaw from Italy and Reggie Lewis's ascension to true stardom have changed everything. Bird may be too slow to play small forward but is noticeably quicker than most power forwards, a position that takes better advantage of his strength and rebounding.

That pushed McHale, 33 this week, to the bench, where he now resides until it's time to spell Bird or Parish. Some nights, McHale plays 20 minutes; other nights, Ford stays with him longer. Against Detroit, McHale led his team with 24 points and 11 rebounds.

Many of those baskets came on lay-ups, the result of Brown and Shaw racing up court and making good, crisp passes to the man filling the lane. Old men need easy baskets.

"They add so much quickness," the Pistons' Mark Aguirre said of the Celtics' guards. "Their back court is so seasoned, not out of control. It's an added dimension for Boston to speed it up like that."



Brian Shaw returned from Italy and helped pick up the pace.

SIDELINES

Beckenbauer Threatens to Resign

STUTTGART (Reuters) — Franz Beckenbauer threatened Monday to quit as coach of French champion Marseille if he can't sort out recent disagreements with the club's president, Bernard Tapie.

Beckenbauer, who coached West Germany to its World Cup victory, said he was not happy with Tapie's influence in areas a coach should control.

"We will talk in the next few weeks," said Beckenbauer, here for Germany's first international since unification, against Switzerland on Wednesday. "It can't go on any longer the way it is. If we can't get the whole thing sorted out and it doesn't work, then everything has been a misunderstanding. It is certainly possible that I could be coming home again very soon."

The threat came after Tapie praised the team for its 3-0 victory over Metz on Sunday.

"We are playing again like a great team," said Tapie. But a few hours before the match, he criticized the lineup and said the players may have had trouble adapting to Beckenbauer's German discipline.

"If it takes too long a time to be back at the top, I might have to mix this German culture with something else," Tapie said.

Welch's Bottom Line: \$3.45 Million Per Year

OAKLAND, California (AP) — Right-handed pitcher Bob Welch will make an average of \$3.45 million a year for four years with the Oakland Athletics, making him major league baseball's second-highest paid pitcher.

Among pitchers, Welch trails only teammate Dave Stewart; overall he becomes the ninth-highest paid player with the contract he agreed to Saturday.

Welch gets a \$2.2 million signing bonus and yearly salaries of \$2.9 million, including \$1.45 million deferred each year with interest.

Among the A's, Dennis Eckersley and Kickey Henderson also are \$3 million players. Jose Canseco is baseball's highest paid player, at \$4.7 million a year.

Princeton Joins The College Elite

NEW YORK — Princeton became the first Ivy League team since 1979 to be ranked in The Associated Press college basketball poll when it came in at No. 25 Monday.

The 7-0 Tigers are the first Ivy team in the rankings since Penn was 14th in the final poll of 1979. The Quakers went on to the NCAA semifinals that season.

The top four teams — UNLV, Arkansas, Syracuse and Arizona — stayed the same as a week ago. No. 5 Georgetown fell to 12th after losing to Texas-El Paso was replaced by UCLA.

But Princeton will be tested Wednesday, when it plays UNLV in Las Vegas.

"Naturally, I hope they don't blow us out," said the Tigers' coach, Pete Carril. "Let's see how we do. We don't want to disgrace ourselves."

The AP's Top 25

Final-place votes in parentheses; records through Dec. 14; total points based on 25 points for a first place vote through one point for a 25th place vote and last week's rankings:

Rank	Team	Record	Pts	Pts Pct
1	UNLV (61)	24-1	1,573	1
2	Arkansas (1)	19-1	1,442	2
3	Syracuse (1)	19-1	1,418	3
4	Arizona (1)	21-1	1,385	4
5	UCLA (1)	2-0	1,380	5
6	Indiana (1)	8-7	1,278	6
7	Ohio St.	6-0	1,147	7
8	North Carolina	6-0	1,128	8
9	Duke	6-0	987	9
10	LSU	4-1	934	10
11	Oklahoma	6-1	918	11
12	Georgetown	6-1	894	12
13	St. John's	8-0	864	13
14	Pittsburgh	7-1	765	14
15	Connecticut	7-1	749	15
16	South Carolina	7-1	627	16
17	Georgia	6-1	596	17
18	Kentucky	5-1	579	18
19	Virginia	5-2	539	19
20	Southern Miss.	3-1	520	20
21	E. Tennessee St.	7-0	502	21
22	Marquette	9-1	451	22
23	Texas	3-2	384	23
24	Michigan St.	3-3	341	24
25	Princeton	7-0	88	25

For the Record

The French yacht contending for the 1992 America's Cup will be financed by and named after the city of Paris, officials said Monday. The city will provide about \$9 million for the "Ville de Paris" (AP).

English striker Gary Lineker was given the annual fair play award by FIFA, world soccer's governing body, Monday in Zurich. The 30-year-old was commended for never having been sent off or cautioned during his professional career at Leicester City, Everton, Barcelona and Tottenham Hotspur. (AP)

Notable

- John Wooden, the Dallas Cowboys' head scout, on running back Alton Hightower: "I like this guy second only to breathing."

Australia's Horse Racing Legend: Phar Lap Lives On

By Andrew Beyer
Washington Post Service

SYDNEY — Earlier this year I was showing an Australian visitor the attractions of Washington and took him to the Lincoln Memorial. I said that Lincoln was the most universally revered figure in our nation's history, and asked who would have comparable stature in Australia.

"Phar Lap," the reply came without hesitation.

Indeed, there do seem to be more monuments in Australia to the legendary racehorse of the 1930s than to any of the country's founders. His statue graces the entrance to Flemington Race Course, site of the Melbourne Cup. The real Phar Lap was sufficed by a taxidermist and is on display at a museum in Melbourne, where it is a major tourist attraction.

Moreover, the death of the champion — during a trip to North America — still is a nettlesome issue here. On my arrival, the taxi driver at the airport recognized

my accent and spoke at length of how Australians love Americans, how they've never forgotten that we were allies in World War II. But he added: "We'll never forgive you for killing Phar Lap."

No great racehorse has ever had a career so melodramatic. Phar Lap was bred in New Zealand and entered in a yearling sale there. A scuffling Australian trainer, Harry Telford, loved his pedigree and persuaded an owner named David J. Davis to make the purchase.

When Phar Lap arrived after a rough crossing of the Tasman Sea, Davis didn't want him and leased him to Telford for three years. It was an agreement that would prove to be fateful.

Phar Lap — the name means "lightning" in Sinhalese — was slow to bloom. But he won his last nine races as a 3-year-old and was a popular champion by the age of 4. Bookmakers stood to lose hundreds of thousands of dollars if he won the Melbourne Cup.

His groom, Tommy Woodcock, recalled the events of that week in a film interview made shortly before his death a few years ago.

"Mr. Telford got several letters that they were going to shoot him or run him down in the road," Woodcock said. "One morning we were going from the race track to the stable and I happened to see this car on the road. The car started, and I took Phar Lap to the corner and pushed him to the fence. The car comes whizzing around the corner and all of a sudden a gun comes out the back window and fires a couple shots. They missed by a couple feet."

After that, Phar Lap was taken into hiding and arrived at Flemington under police escort 40 minutes before post time. The crowd roared at his arrival, and roared louder as he came home to victory in the two-mile (3.2-kilometer) race.

Despite being burdened by crushing weights, Phar Lap won 15 of 17 races that year. As a 5-year-old, he won nine of 10. By then, Telford's three-year lease had expired, Davis was in charge, and he

chose to accept an invitation the trainer wanted to decline: to run in a stakes race at the Agua Caliente track in Tijuana, Mexico, just south of San Diego, for the then-incredible purse of \$100,000.

Woodcock accompanied Phar Lap on the ship, and Phar Lap weathered the voyage well enough to win the Caliente Handicap in track-record time, beating some of the best horses in North America. Now he was an international hero — American newspapers hailed him as the "Red Terror from the Antipodes" — and Davis was planning on running him in the United States, then in England.

In Menlo Park, California, Woodcock said, "Early one morning he got a little sick — just a little temperature — but by the next day he was in terrible pain. It was pitiful really, all the squealing and the pain he was in. I led him into the box and he let out one unmerciful squeal and died in my arms."

The next day, flags in Australia were

CHESS

By Robert Byrne

THE most piteous lament in response to being upset by players was surely that of Aron Nimzovich in a blitz tournament after World War I. In anguish, he leaped up a table, looked up in the direction of the heavens and shrieked, "Must I lose to these idiots!"

Upsets are very much a part of chess. The inspiration it takes to think up a combination fluctuates from day to day and it is not the exclusive property of the grandmaster. Here is a brightly played upset from a game between Richard Britton and the Dutch grandmaster Paul Van der Sterren in the eighth Ostend International Open Tournament in Belgium.

In the Chigorin Defense to the Ruy Lopez, the Panov Variation, beginning with 13...Bb7 is the introduction to sharp counteringplay involving gambits in several lines. For example, in its debut in the game between Boris Verlinsky and Vasily Panov in Moscow 1944, the originator scored with the gambit: 14 Nf1 Rxb3 15 Bb3 d5 16 e4 17 Bb2 Nd4 18 Re4 Bb5 19 Re1 Qb7, which gives Black long-term annoying positional pressure.

The move 14 d5 is used to avoid that and also to try to prove that in the semi-closed positions that follow, the b7 bishop, and also sometimes the a5 knight, are out of play. Yet the matter is not resolved simply. Thus in the Marinus Kuij-Viktor Korchnoi game in Wijk-aan-Zee last January, another gambit flourished White — after 14...Rxb3 15 Bb3 Nd4 16 Nf1

17 Bg5 Nc5 18 Be7 Qe7 19 of Nd4 Nd4 20 Bc2 Nd3 21 Ne5 Qf5 22 Nf5 Qf5, Black went on to win with a kingside attack.

Then why didn't Van der Sterren repeat the successful 15...Nd7, unless he wasn't happy about the prospect of having to face 16 g4 with restriction? His 15...Nd5 made it possible for him to answer 16 g4 with 16...Nd4, and after 16 Nf1 he might have played 16...Nd4 or possibly 16...g6.

But his 16...Nd5? was more ambitious and perhaps not wrong. He must have expected 17 Ne5, after which 17...Nd6! 18 Nf3 19 Bb2 Nd4 20 Re4 Nd4 21 Ne3 Nd3 22 Be3 Nd3 23 Rd4 Qc2! will recover the pawn. Instead, Britton confronted him with 17 Nd4!

On 17...ed 18 Qb5 g6 19 Qe2 fe 20 Qe4 Bf6 21 Bb6, Van der Sterren did have a defense with 21...Bg7 22 Bg7 Qg7 23 Qe2 Qf7 24 Qb6 Qb5, but probably at this point he had not grasped the dangers facing him. After 21...Rf8!, Britton's 22 Qg4, produced such ominous rumblings as 22...Qf7 23 Bf5 winning the exchange. Moreover, on 22...Bd5!, there could have followed 23 Bf5 Rb8 24 Bg6! hg 25 Qg6 Bg7 26 Qg5 Bc4 27 Ne3, with a powerful attack.

After 22...Bg7 23 Qe6, it was not possible to black with 23...Qf7 because 24 Qf7 Kf7 25 Bg7 Kf7 26 b4 Nd4 27 Re7 wins a piece. On 23...Kh8 24 Rac1, the last defense would have been 24...Nd4 25 Bg5 Qd7 26 Bd8 (26 Qd7 Rd7 27 b3 Bd5!) 28 bc be yields Black good play) Qd8, where

BOOKS

THE SUN IN THE MORNING: My Early Years in India and England

By M. M. Kaye. 454 pages. \$24.95. St. Martin's Press Inc., 175 Fifth Avenue, New York, N. Y. 10010.

Reviewed by Leslie Hanscom

IN a late chapter of this heartwarming memoir, two little girls of English blood are shown weeping on the deck of a departing ocean liner as they watch the towers and domes of Bombay grow smaller in the distance. Unwillingly bound for the rainy island that their elders call "home," they take an oath together. Never, they swear, will they transfer their love away from their real home, which is India. To double-clinch the vow, they make it in Hindustani.

The year was 1918, and the elder of the two sisters, 10 years old at the time, would become the writer of historical and mystery novels who signs herself M. M. Kaye. This, her new book, the first installment of an autobiography to be titled "Sunset in Summer" — is an act of fidelity to that vow made a lifetime ago. It is a testament of love for the place she remembers as the land of vivid colors and open hearts that for her was an enchanted background to childhood.

The daughter of a British Army officer who never had any money although he wound up as Sir Cecil Kaye, the author was born in 1908 in Simla, the hill station that was India's summer capital. Thanks to what were, for that time and place, the family's very modest circumstances, Molly Kaye and her siblings were reared by Indian servants rather than by the unbending nannies from "home" who looked after the children of more affluent colonies. It was a compromise that, for the children, paid great dividends in freedom, warm affection and insight into another culture.

To illustrate, she relates that her father, whose social attitudes were ahead of his time, felt uncomfortable in a richshaw and chose to walk rather than depend on the power of his fellow man.

Seeking light on this matter, small Mollie, on her way by rickshaw to a dancing class, used her Indian vernacular to sound out the attitudes of the team of jhampanis who were doing the propelling. "Bah," was their response, "work was work." What would happen to their living if the foolish notion got about that hauling a rickshaw was beneath a man's dignity? Not only would they lose a meal ticket, but also the status it gave them in the community to wear ivory.

Such is the genial light that the author's memory, at 82, casts on an era of history now condemned as the high-water mark of colonial exploitation.

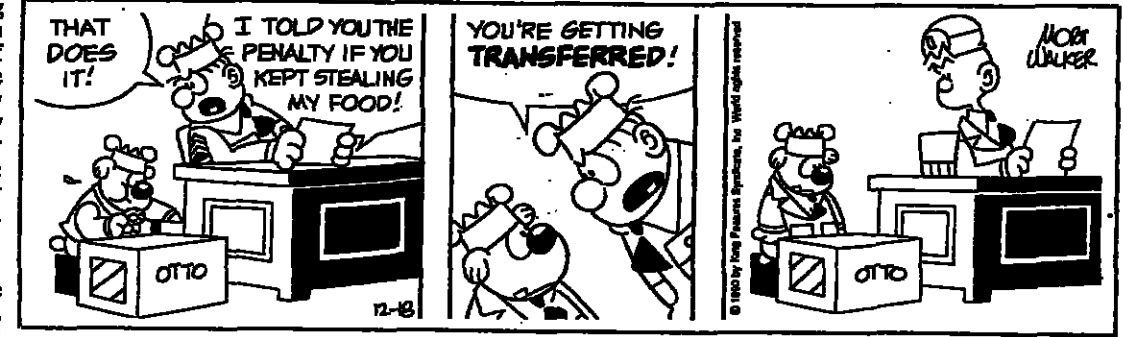
In this first portion of her autobiography, M. M. Kaye covers those years of wide-eyed awakening to the world and the later period of her school days in England, during which her ruling aspiration was to get back to India. As the book concludes, she makes it, returning with her father when he is recalled from his retirement in England.

Leslie Hanscom, a former book columnist for Newsday, wrote this for The Washington Post.

PEANUTS



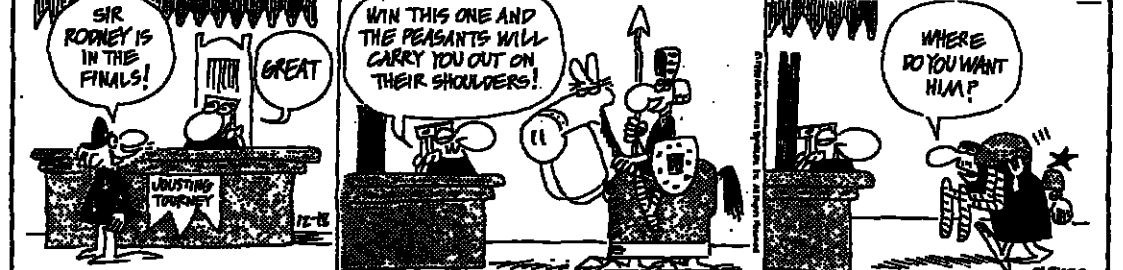
BEETLE BAILEY



ANDY CAPP



WIZARD OF ID



REX MORGAN



GARFIELD



DOONESBURY



DENNIS THE MENACE



JUMBLE

Unscramble these four Jumble words, one letter to each square, to form four ordinary words.

CEHEN
OVEBA
UMLOVE
PATELA

Now arrange the circled letters to form a sentence, as suggested by the above caption.

Answer: YOU "ARE" (Answers tomorrow)

Yesterday's Jumble: CHIDE ABYSS FIDDLE PALPERS
Answer: He doesn't believe in being superstitious because he thought it might bring him this — BAD LUCK

صكنا من الال

SPORTS

Eagles In, Cowboys Are Close

By Richard Justice

WASHINGTON — The Washington Redskins and Philadelphia Eagles appear headed for a wild-card matchup as the National Football League's 15th weekend settled two more playoff spots, but left only eight of the 28 teams out of contention for postseason play.

The Eagles (8-6) joined the Redskins (9-5) as two of the National Football Conference's three wild-card entries, with New York, Chicago and San Francisco already having won their divisions. That leaves only one of the six AFC slots undecided.

The Dallas Cowboys (7-7) have a one-game lead for that spot and are on the verge of a stunning turnaround. The Cowboys, who had a 1-15 record last season, defeated Phoenix, 41-10, Sunday for their fourth victory in a row.

Later, the Los Angeles Raiders (10-4) defeated the Cincinnati Bengals, 24-7, to take over first place in the American Football Conference West and join the Buffalo Bills and Miami Dolphins in clinching AFC playoff berths. Six teams stay in contention for the remaining three spots, and none of the division races has been decided.

The Redskins, who clinched a playoff spot with a 25-10 victory over New England on Saturday, were joined Sunday by the Eagles, who beat the Green Bay Packers, 31-0.

One of the few remaining questions about the matchup of the Redskins and Eagles is where it will be played. The Redskins have a one-game lead over the Eagles with two games to play and would clinch a first-round home game by finishing the season with victories over Indianapolis and Buffalo.

If the Redskins hold that lead, they'd open the playoffs in RFK Stadium against the Eagles on Jan. 5 or 6. If the teams finish tied, the Eagles would host the first-round game.

The Eagles are at home against the Cowboys next week, then they go to Phoenix to finish the season. If the Redskins split their final two games and the Eagles win both, the teams would both finish 10-6.

The first tiebreaker is head-to-head meetings, but the Redskins and Eagles split their two games. The next tiebreaker is record within the division. The Redskins are 4-4; the Eagles are 4-2 with the Cowboys and Cardinals left.

The Cowboys play in Philadelphia next weekend, finish the season in Atlanta and have a good chance of going 8-3, which might get them into the playoffs ahead of



Running back Eric Bell of the Bengals found an opening in the Raiders' defensive alignment and headed for it as Scott Davis went airborne in an effort to stop him. The Raiders went on to win, 24-7.

the Vikings (6-8), Saints (6-8), Buccaneers (6-8) and Packers (6-8). "We'll need some help to make the playoffs, and that's just what you don't want," said the Vikings' quarterback Wade Wilson. "We definitely have to win our last two games, and hope that the other guys lose."

The Vikings' last games are against the Raiders and 49ers. The Cowboys hadn't won four games in a row since 1985 and hadn't beaten the Cardinals since 1988. They have the NFL's longest current winning streak.

If the Cowboys make the playoffs, they would join the 1975 Baltimore Colts as the only teams since the 1970 merger to do so after finishing with the worst record the previous season.

"I think everyone in this room believes we've got what it takes to

win," said the Cowboys' quarterback Troy Aikman. "Whether or not the rest of the league believes us, I don't know. But the main thing is that we believe in ourselves."

The Packers appeared to have the easiest road to the playoffs, but that ended four games ago when quarterback Don Majkowski tore the rotator cuff in his right arm. Green Bay hasn't won since and has Detroit and Denver left.

The AFC is much more confused. The Bills (12-2) and Dolphins (11-3) are atop the AFC East and play next week to decide who will win the division and get a first-round bye. Indianapolis (6-8) is the only other AFC East team that hasn't been eliminated.

The Raiders, qualifying for the playoffs for the first time in five years, lead the Chiefs (9-5) by a

game with two remaining in the AFC West. They haven't been in the playoffs since winning the division in 1985, and haven't won a playoff game since beating the Redskins, 38-9, Jan. 22, 1984 in Super Bowl XVIII.

"It's a great day for the organization, and it's a great day for this football team," said Art Shell, the Raiders' coach.

"It's my first playoffs ever in any sport," running back Bo Jackson added. "I'm anxious to see what happens."

The AFC Central is even more confused. Houston (8-6) and Pittsburgh (8-6) are tied for the lead and Cincinnati (7-7) is a game behind. The race may not be decided until the final weekend, when the Steelers and Oilers play in the Astro-dome.

Jackson, Raiders Run to Playoffs, Bears Run Into Trouble in Detroit

By Michael Martinez

LOS ANGELES — Like a streak of light, Bo Jackson carried the Los Angeles Raiders into the National Football League's playoffs.

Jackson did not score a touchdown, but he had the brightest moment of the game Sunday, an 88-yard run in the third quarter that set up the decisive score in a 24-7 victory over the Cincinnati Bengals in the Los Angeles Coliseum.

It put the Raiders into the playoffs for the first time in five years. They had 16 straight winning seasons from 1965-80 and made the playoffs 15 times from 1967-85.

Jackson, who gained just 18 yards rushing in the first half, put the Raiders in position to score on their first possession of the third period. He took a handoff from quarterback Jay Schroeder at the 11-yard line and raced down the right side of the field.

He was finally tripped by Cincinnati cornerback Rod Jones a yard from the end zone.

Two plays later, Schroeder passed to Ethan Horton for a one-yard touchdown and a 17-point lead. It was Schroeder's third touchdown pass of the day.

The Raiders, who could have lost Sunday and still made the playoffs by winning either of their last two games, gave Cincinnati quarterback Boomer Esiason a rough time.

He had two passes intercepted, completed just seven of 17 and sat out most of the second half after aggravating a groin pull.

The second interception was the worst: He threw into a pack of Raider defensive backs in the Los Angeles end zone, losing a chance to score and tie the game.

Jackson, who gained 117 yards on eight carries, has run for more than 100 yards in each of his last three games.

The loss left the Bengals with a 7-7 record, still in playoff contention.

In other games, The Associated Press and The New York Times reported:

Lions 38, Bears 21: Chicago's chances of getting a bye in the first round of the playoffs were hurt by Rodney Peete's 316 passing yards and four touchdowns in Detroit.

The Bears led by 7-0 after the first period, but Peete threw scoring passes of 20 yards to Robert Clark, 44 yards to Richard Johnson and 1 yard to Clark — all in the second quarter — for a 21-7 halftime lead. Peete connected with Terry Green for a 68-yard scoring play in the third quarter.

In the last four weeks, the Bears have been outscored by 106-66.

The Bears, whose quarterback

Jim Harbaugh, dislocated a shoulder, played without two of their front-line cornerbacks. Vestee Jackson was out with a bruised knee, and Lemuel Stinson is out for the season with a more severe knee injury.

Eagles 31, Packers 0: Philadelphia clinched a playoff berth with a

NFL ROUNDUP

shutout at home as Randall Cunningham ran five yards for one touchdown and passed for another.

The Eagles led by 17-0 at halftime and let their defense take over in the second half. Cunningham was replaced in the fourth quarter by Jim McMahon, who set up a

touchdown with a completion on his first pass of the season.

Broncos 20, Chargers 10: John Elway threw two touchdowns passes to Michael Young as Denver snapped a six-game losing streak by winning at home.

The Broncos contained the NFL's leading rusher, Marion Butts, and got two field goals and a goal-line interception in the fourth quarter.

Elway threw a 25-yarder to Young with 15 seconds left in the first half and connected with him again on a three-yarder midway through the third quarter, giving the Broncos a 14-3 lead.

Browns 13, Falcons 10: The Browns took the lead for good on

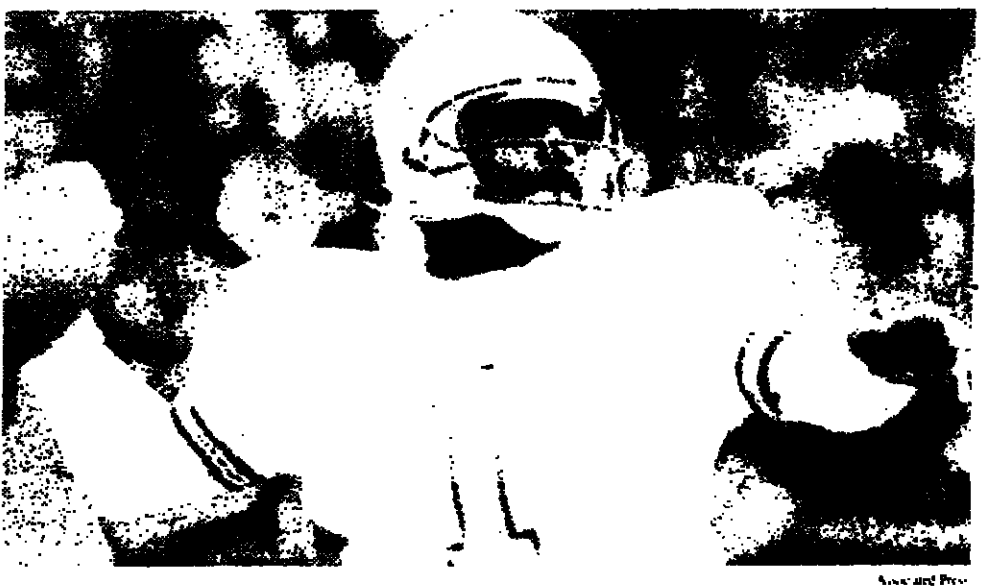
Kevin Mack's five-yard scoring run in the second quarter in Cleveland.

The result broke an eight-game losing streak for the Browns and was the first victory for Jim Shofner, who replaced the fired Bud Carson as Cleveland's coach on Nov. 5.

Atlanta lost its seventh straight and 18th in a row on the road.

Bucs 26, Vikings 13: Vinny Testaverde scrambled for 105 yards, 48 counting on a touchdown run in the first quarter, as Tampa Bay won at home.

Testaverde also threw a 25-yard touchdown pass to Mark Carrier for a 23-0 halftime lead, and Steve Christie kicked four field goals as the Bucs took advantage of eight turnovers by Minnesota.



"Records are not important to me," said Houston's Warren Moon, who stopped passing 27 yards shy.

Quarterback Injury List: Oilers' Moon, Add DeBerg, Harbaugh

Compiled by Our Staff From Dispatches

It was a rough weekend for NFL quarterbacks:

Jim Harbaugh of Chicago dislocated his right shoulder and likely won't be able to play again for at least three weeks.

Phil Simms of the New York Giants, who injured his right foot, is out for at least the rest of the regular season, and perhaps for the first and second weeks of the playoffs.

Jim Kelly of Buffalo injured a ligament in his left knee and may not play again until next season.

Steve DeBerg of Kansas City broke a finger on his left hand and

was in a hospital Monday. It was uncertain when he would be back.

Harbaugh, a right-hander, left the field in Detroit with the dislocated shoulder in the third quarter and was replaced by Mike Tomczak and Peter Tom Willis, neither of whom was very effective.

In Kansas City, the little finger on DeBerg's passing hand was broken midway through the third quarter as he was sacked by Bubba McDowell and Johnny Meads.

Steve Feltner came in, then DeBerg returned with 8:21 to play. "Basically, what they said was, 'If you can deal with the pain then you can play.' It's broken at the tip, so it's already broke," DeBerg said.

A pin was inserted into his finger and he remained hospitalized to limit the chances of an infection. He said he still hoped to play Sunday.

Adding misery to pain, he was intercepted by Richard Johnson with 2:20 to play. It was DeBerg's first interception in 234 passes, second only to the NFL record of 294 passes that Bart Starr threw without interception for Green Bay.

Simms and Kelly were hurt Saturday. Simms, who badly sprained his right foot in the second quarter of a 17-13 loss to Buffalo in East Rutherford, New Jersey, will miss the last two games of the regular season and perhaps the first two weeks of the playoffs, the team said.

The Giants are likely to qualify for a bye and will not have to play the first week. Jeff Hostetter, who replaced Simms, will be the quarterback next Sunday.

Russell Warren, the Giants' orthopedic surgeon, diagnosed the injury as a severe sprain. X-rays disclosed no broken bones, but Simms was to undergo further examination Monday.

If the Giants win their last two games — in Phoenix and New England — they likely would have a bye the first week of the playoffs, increasing the chance that they would have Simms back. But their coach, Bill Parcells, said Simms may miss some of the playoffs "regardless of whether we have to play the first week or second week."

New York's success may depend

on Hostetter, a career backup who has started two games in seven seasons. The Giants' only other quarterback is Matt Cavanaugh.

Kelly was injured in the same game, when a ligament in his left knee gave way. He underwent a magnetic resonance imaging test Monday to help determine the severity of the injury.

The doctors "say between three and four weeks and that's if it's good," Kelly said. "If it's a bad knee, you can probably kiss the season goodbye."

Kelly said he hoped to be ready "for the first playoff game," but definitely would not play Sunday against the Miami Dolphins in a game could determine whether the Bills have to play in the wild-card game the first week of the playoffs.

In his place, the Bills will send in Frank Reich, who backed up the Cincinnati Bengals' Boomer Esiason at the University of Maryland before backing up Kelly for the past five seasons.

(AP, NYT)

SCOREBOARD

FOOTBALL

NFL Standings

AMERICAN CONFERENCE													
	East							Central					
	W	L	T	Pts	PF	PA		W	L	T	Pts	PF	PA
y-Buffalo	12	2	0	357	390	220							
y-Miami	11	3	0	286	299	201							
Indianapolis	6	8	0	129	229	202							
N.Y. Jets	4	10	0	286	237	324							
New England	1	13	0	371	164	391							
Pittsburgh	8	6	0	571	243	206							
Houston	8	6	0	571	351	253							
Cincinnati	7	7	0	500	299	318							
Cleveland	3	11	0	214	214	406							

NBA Standings

Seattle	7	7	0	500	259	264
San Diego	6	8	0	429	282	248
Denver	4	10	0	284	297	344
NATIONAL CONFERENCE						
	East					
	W	L	T	Pts	PF	PA
x-N.Y. Giants	11	3	0	786	296	180
y-Washington	9	5	0	643	324	252
y-Philadelphia	8	6	0	571	356	275
Dallas	7	7	0	508	234	265
Phoenix	5	9	0	357	216	349
	Central					
	W	L	T	Pts	PF	PA

NATIONAL CONFERENCE

Detroit	5	9	0	257	339	266
	West					
	W	L	T	Pts	PF	PA
x-San Francisco	12	1	0	323	297	199
New Orleans	6	8	0	299	241	248
L.A. Rams	5	8	0	285	305	346
Atlanta	3	11	0	214	302	345
x-crowned division title						
y-crowned playoff berth						
SATURDAY'S RESULTS						
Buffalo 17, New York Giants 13						
Washington 25, New England 10						
SUNDAY'S RESULTS						
Cleveland 13, Atlanta 10						

BASKETBALL

NBA Standings

EASTERN CONFERENCE					
Atlantic Division					
	W	L	Pct	GB	
Boston	19	4	.826	—	
Philadelphia	15	7	.682	3½	
New York	10	11	.476	8	
New Jersey	8	13	.381	10	
Washington	7	15	.318	11½	
Miami	5	16	.238	13	
Central Division					
Milwaukee	16	7	.696	—	
Chicago	14	8	.636	1½	
Detroit	14	8	.636	1½	

WESTERN CONFERENCE

WESTERN CONFERENCE									
Midwest Division									
San Antonio	14	5	.737	—					
Utah	14	8	.636	1½					
Houston	13	10	.563	3					
Dallas	7	13	.350	7½					
Minnesota	7	14	.333	8					
Denver	5	17	.227	10½					
Orlando	5	19	.208	11½					
Pacific Division									
Portland	21	3	.873	—					

SUNDAY'S RESULTS

Skiles 8-155-521, Anderson 7-18-14 14, Scott 5-15-4-16; Drexler 11-16-10-31, Williams 9-11-8-19 26. Rebassett: Orlando 49 (Aces 9), Portland 46 (Williams 20). Asst.: Orlando 19 (Skiles 8), Portland 26 (Porter 12).
Indiana 35 19 33 35-112
L.A. Raiders 28 21 28 31-115
Miller 9-17-23-24, Person 10-17-22-22; Johnson 7-14 15-16 25, Worthing 11-21 4-4 26. Rebassett: Indiana 41 (Person 10), Los Angeles 33 (Dovech 2). Asst.: Indiana 29 (Flaminio 11), Los Angeles 20 (Linhom 21).

Major College Scores

